



Daily Report

China

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Daily Report

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General

Tang Jiaxuan Reportedly Blames IAEA for DPRK Withdrawal

OW1406064494 Tokyo KYODO in English 0633 GMT
14 Jun 94

[Text] Beijing, June 14 KYODO—Chinese Vice Foreign Minister Tang Jiaxuan blamed the threatened withdrawal of North Korea from the International Atomic Energy Agency (IAEA) on the agency itself Tuesday [14 Jun], while calling the situation critical, a former Japanese defense minister said in Beijing.

Taku Yamasaki, a House of Representatives member of the largest opposition Liberal Democratic Party (LDP), and his colleague met with Tang before leaving for a visit of "two or three" days to North Korea.

His visit comes a day after North Korea announced late Monday it will withdraw from the IAEA in retaliation to the IAEA's cancellation last Friday of technical assistance to Pyongyang.

"The IAEA sanctions caused this result, China abstained from voting (on the sanctions) and calls for a peaceful solution through dialogue," Yamasaki quoted Tang as saying.

"China is continuing consular efforts, we are doing this in a more positive way, but the North Korean attitude is very firm. I think our efforts will not be decisive," Tang was quoted as saying.

"The most important thing is not to force North Korea out of the nuclear Nonproliferation Treaty (NPT)," Tang told Yamasaki. "We are at a critical moment. The international community should promote a peaceful solution, mainly through dialogue between North Korea and the United States."

In Pyongyang, Yamasaki hopes to discuss with North Korean leaders recent developments concerning the nuclear issue on the Korean peninsula and the ongoing consultations in the UN Security Council of sanctions on North Korea.

He said Li Shuzheng, head of the International Liaison Department of the Chinese Communist Party, said at a meeting Monday that China should not be counted on to abstain on Security Council sanctions on North Korea as they did on the IAEA sanctions.

"We have not decided what to do. We will decide according to the situation at the time," he quoted Li as telling him.

Yamasaki is also expected to discuss North Korea's suspected nuclear weapons program and its refusal to allow IAEA inspections of the refueling of a 5-megawatt experimental nuclear reactor at Yongbyon, 90 kilometers north of Pyongyang.

Yeltsin, Clinton Discuss DPRK Nuclear Issue

OW1306220394 Beijing XINHUA in English 2120
GMT 13 Jun 94

[Text] Moscow, June 13 (XINHUA)—Russian President Boris Yeltsin discussed with his U.S. counterpart Bill Clinton today through telephone the nuclear problem on the Korean peninsula and the ways to settle it through political means.

During the conversation, the two presidents discussed a U.N. Security Council resolution now in the works.

The two leaders also agreed to instruct their foreign ministers, Andrey Kozyrev (Russia) and Warren Christopher (U.S.) to continue consultations on the issue, the ITAR-TASS News Agency quoted the press service of the Russian president as reporting.

Former President Carter Arrives in ROK

OW1306125294 Beijing XINHUA in English 1027
GMT 13 Jun 94

[Text] Seoul, June 13 (XINHUA)—Former President of the United States Jimmy Carter arrived here Monday [13 June] in a prelude to his visit to the Democratic People's Republic of Korea (DPRK), with the possibility of his mediation in Pyongyang's nuclear issue gaining widespread attention.

Carter, who is visiting the Korean peninsula as head of his private peace center, will meet South Korean President Kim Yong-sam and Foreign Minister Han Sung-chu before passing through the heavily-fortified truce village of Panmunjom into the DPRK Wednesday.

He is expected to meet the DPRK's leader Kim Il-song who is reportedly waiting for Carter to deliver a message to U.S. President Bill Clinton on his proposal for solving the nuclear problem.

The former U.S. President will return to Seoul on June 18 via Panmunjom and meet again with South Korean President Kim Yong-sam before heading back to Washington.

Carter came at a time when the U.S., South Korea and Japan are seeking United Nations sanctions against the DPRK since Pyongyang reportedly banned inspectors of the International Atomic Energy Agency (IAEA) from testing samples of nuclear fuel to determine whether it has been diverted secretly to make atomic weapons.

The DPRK has repeatedly stated that its nuclear program is peaceful and warned that imposition of sanctions would be an act of war.

Carter said earlier that his trip to the Korean peninsula would be private one. "My hope is to discuss some of the important issues of the day with leaders of the area," he added.

The former president has been active in resolving conflicts in Panama, Nicaragua and Sudan, among others.

Spokesman Reaffirms PRC Claim to Spratlys

HK1406101094 Hong Kong AFP in English 0954 GMT 14 Jun 94

[Text] Beijing, June 14 (AFP)—China reaffirmed its sovereignty claim over the Spratly Islands on Tuesday and attacked oil exploration in the area by other countries. "China has irrefutable sovereignty over the Nansha Islands (Spratlys) and its adjacent waters," a foreign ministry spokesman told AFP. "Any country's exploration and exploitation activities of oil and gas there should not damage" China's interests, he added.

The comment came in reply to a question on the Philippines allowing Alcorn Petroleum and Minerals Corp. and U.S. partner Vaalco Energy Inc. to begin preliminary exploration work near the disputed South China Sea chain. Philippine energy officials insisted Tuesday the area where the exploration would be conducted is not part of the Spratlys—a chain of atolls in the South China Sea claimed wholly by China and in part by Brunei, Malaysia, the Philippines, Taiwan and Vietnam.

The Spratlys are believed to sit atop vast deposits of oil and natural gas and also straddle strategic sea lanes. Two other U.S. firms, Crestone Energy Corp. and Mobil are already exploring part of the area on behalf of the Chinese and Vietnamese governments respectively. Both governments vehemently criticised each other's moves.

'Roundup' Says Japanese Investments 'Pour' Into Philippines

OW1306171094 Beijing XINHUA in English 1627 GMT 13 Jun 94

["Roundup" by Xiong Changyi: "More Japanese Investments Pour In Philippines"]

[Text] Manila, June 13 (XINHUA)—Hitachi poured 2.5 billion pesos (92.6 million U.S. dollars) in the Philippines to build its largest overseas plant in Asia to produce hard-disk drives and magnetic heads.

Nissan inaugurated its 300 million pesos (11.1 million U.S. dollars) worth of press and stamping plant as the first phase of its two billion peso (74 million U.S. dollar) Nissan Technopark in the country.

Toyota will invest some 1.2 billion pesos (44.4 million U.S. dollars) to enhance its distribution network in the Philippines within two years.

Mitsubishi will conduct a three-year expansion program worth 800 million pesos (29.6 million U.S. dollars) in its local subsidiary to double its car production by 1997.

With the strong performance of the economy in the first quarter, coupled with the ongoing economic restructuring such as trade and investment liberalization and

the stable political situation, more and more Japanese investors are eyeing the Philippines.

The country's economy grew by 4.84 percent in the first three months of the year following the resolution of the power crisis and the government's bold economic reforms.

Economic division director Kazuo Sunaga of the Japanese Embassy said today that Japanese investments into the country are expected to further increase following the country's much improved economic conditions.

"I can confidently say Japanese investments will now start pouring," he added.

He also cited the Philippines' edge over other ASEAN countries, noting that Thailand, Malaysia and Singapore are already saturated with Japanese investments.

Japanese investments in the country amounted to 25.039 billion pesos (927 million U.S. dollars) since 1988 up to May this year followed by the United States with 16.536 billion pesos (612 million U.S. dollars).

President Clinton Welcomes Japanese Emperor

OW1306170894 Beijing XINHUA in English 1637 GMT 13 Jun 94

[Text] Washington, June 13 (XINHUA)—U.S. President Bill Clinton today held a welcome ceremony for Japanese Emperor Akihito and Empress Michiko at the White House South Lawn.

"Your Majesties visit us at a moment when it is clear that the destinies of our two peoples are inextricably linked," Clinton said at the ceremony attended by about 4,000 people.

"We share a common vision. It is a vision of democracy and prosperity... [ellipses as received], of a world where we trade freely in ideas and goods," Clinton said.

"Our commitment to common ideals is firm, our determination to work with you is strong," Clinton added.

Emperor Akihito said that "Our two countries have overcome the deplorable rupture brought about by war and have forged a close and cooperative relationship."

"I sincerely hope that this visit will further contribute to the promotion of friendship between our two peoples," the emperor said.

The emperor and empress were greeted with full honors including a 21-gun salute.

They will attend a state dinner in the Rose Garden of the White House hosted by President Clinton this evening.

The couple arrived in Atlanta June 10 for the first leg of their 16-day tour in the United States. They plan to visit 11 U.S. cities.

They will leave Washington Wednesday [15 June] and travel to the University of Virginia and then on to New York.

Daily Views Position for Returning to GATT

HK1106071794 Hong Kong HSIN PAO in Chinese 10 Jun 94 p 23

["Beijing Political Situation" column article by Jen Hui-wen (0117 1979 2429) on 8 June in Beijing: "Strategic Differences Within the State Council on the Issue of Returning to GATT"]

[Text] China has set two major objectives for its foreign trade and economic relations this year. One is to win extension of the most-favored-nation status from the United States, and the other is to strive to restore China's contracting status in GATT (called "returning to GATT" hereafter). At present, the first objective has been achieved. As for returning to GATT, Tong Zhiguang, vice minister of foreign trade and economic cooperation who has represented China to attend the relevant talks many times, said in March that China might return to GATT by August on the grounds that the planned economic structure, which used to be the greatest obstacle to China's return to GATT, was no longer a problem after the establishment of the socialist market economic system was written into the PRC Constitution. Moreover, China has adopted a series of measures to reform its foreign trade system. Beginning this year, the system of assigning mandatory business quotas was terminated, and the system of assigning export quotas and licenses has also been replaced with a system of tender invitation. Import duties have been gradually lowered, and the overall foreign trade system has basically met GATT requirements. China has basically built up the framework for returning to GATT. However, in late May, Peter Sutherland, GATT director-general, said that it would be possible for China to return to GATT by 1 January next year, but this would still be an extremely difficult task because the decisive power is in the hands of other signatory states to GATT and the time for China's return to GATT will be decided collectively.

China has spent eight years applying for a return to GATT. Certain progress was made in this regard, but the process was full of twists and turns. The issue thus once again aroused a debate inside the State Council. The debate was focused on whether China should strive to return to GATT at any costs.

According to sources in Beijing, when talking about the issue of returning to GATT at a meeting of responsible officials in late May, Vice Premier Li Lanqing said that China now still cannot return to GATT not because China has not made sufficient preparations but because the United States is putting up obstructions for political reasons; China must not give up the principle of "balanced rights and duties" in order to return to GATT. He said: "In order to return to GATT, China has done all

that it should to meet GATT requirements in terms of institutional structures and operational regulations. China still cannot return to GATT not because China is still short of any hard and soft conditions. It is because the United States deliberately makes things difficult for China according to its political strategy and imposes harsh terms on China. Some West European countries also follow the United States. It seems that we were too optimistic about returning to GATT in the previous period. Now we should more calmly consider this issue, and see which measures are unrealistic and out of keeping with our national conditions and which measures may expose our country to unnecessary impact after returning to GATT. We should be better aware of all this and make corrections in order to prevent losses we should not incur.

Zou Jiahua, another vice premier of the State Council, also pointed out that although it is still necessary to create conditions for returning to GATT at an early date, we cannot and also should not make any promise we cannot fulfill at the current stage; still less can we behave like a supplicant begging for favors. He said that according to what he learned from his visit to the United States in May, after returning to GATT, China's machine-building, car-making, textile, and food-processing industries may be facing new difficulties, so they should take sufficient precautions and countermeasures against the unfavorable factors.

Some people in economic and trade circles in Beijing said that in the process of returning to GATT, China must seek the common point (or compromise point) between the demands of existing GATT contracting parties and China's acceptability degree. The remarks of the two vice premiers, Li Lanqing and Zou Jiahua, show that China would, as usual, continue to adhere to the principle of "balanced rights and duties," and would never pay any costs in exchange for the return to GATT. If other contracting parties set forth unusual, discriminatory, and harsh terms for China's return to GATT, China will certainly make no compromise and adhere to its own position. In reality, the process of China's return to GATT is contingent on the political environment more than on the negotiations. When China clearly sees the other side's demands, it will come to understand that it cannot be overanxious for a quick result and should only try to gradually knock open the door for the return to GATT through making steady progress.

According to sources, Zhu Rongji, member of the Standing Committee and the CPC Central Political Bureau and also vice premier of the State Council, held that China should still actively create conditions for returning to GATT. In early March, Zhu Rongji instructed Chen Jinhua, minister of the State Planning Commission, Wang Zhongyu, minister of the State Economic and Trade Commission, and Wu Yi, minister of foreign trade and economic cooperation, to jointly draft an outline about the main problems and measures for China's return to GATT in 1994 in order to submit the

outline to the State Council for deliberation after the end of the Second Session of the Eighth National People's Congress.

Zhu Rongji's main viewpoint was: The return to GATT will provide more favorable conditions for China's across-the-board opening and involvement in fair and free trade and business competition, and this will also remove the political obstacles set by the United States and Western Europe to China's foreign trade. Moreover, the cost of returning to GATT within this year will be smaller than that in two or three years. Therefore, China should continue to strive to return to GATT at an early date. For this purpose, China may now act according to GATT rules, and should overcome difficulties in adapting domestic systems to them. In order to return to GATT, China may first make certain compromises. The concessions will serve the purpose of gaining greater benefit.

According to sources, Zhu Rongji's opinion on returning to GATT as soon as possible was supported by CPC General Secretary Jiang Zemin and Premier Li Peng, who is also a member of the Standing Committee of the CPC Central Political Bureau, and was also supported by many experts in GATT affairs.

In Beijing, an expert in GATT affairs said that Zhu Rongji's idea was reasonable. If China makes certain concessions and carries out reforms in certain fields where conditions are not ripe enough for the purpose of returning to GATT, this will force the United States to show its hand on the issue of China's return to GATT. China will then be able to know its real intention, and will adjust its industrial structure and better orient its reforms in the fields of foreign trade and customs tariff to the world practice. Thus, even if China cannot return to GATT within this year, it will have better internal conditions for returning to GATT next year. It will then be more difficult for the United States and its Western followers to find any excuses.

As for the United States using political factors to make things more difficult for China, the expert said this was a bargaining tactic that the United States would certainly use. If China is too inflexible and thus enables Taiwan to be admitted to GATT ahead of China, then the political factors will become more complicated.

China may be facing the impact of its return to GATT in various realms. For example, the growth rate of the national economy may be slowed down, basic industries may be affected, the number of jobless people may increase, China's renminbi currency may be further devalued, and the shortage of foreign exchange worsen. The expert said that one should not overreact to such problems, because they will also appear even if China postpones its return to GATT one or two years. It is better that the pains come earlier than later. China may promote its reform and development through the return to GATT.

The expert stressed that precisely proceeding from such strategic considerations, China announced the termination of issuing import licenses and quotas to 195 commodities on 25 May after it announced the termination of import control over 283 commodities. This not only showed China's sincerity for returning to GATT, but also pushed Chinese enterprises to the forefront of the international competition. China will have a stronger bargaining position in the talks on its return to GATT. If the United States allows China to return to GATT earlier, China may lower the tariffs earlier; on the contrary, China's tariffs will not be lowered and the American goods will find it hard to enter the Chinese market.

The expert added: China's relations with GATT and the future World Trade Organization are two-way relations. That is, China needs them, and they also need China. China can now survive without the support of the world's free trade organization. In such circumstances, if the United States does not make positive responses and adopt a realistic approach, it will certainly be facing heavy pressure from American business circles and be asking for trouble.

GATT Chief Urges Talks on Beijing Status

OW1106042094 Beijing XINHUA in English 0303
GMT 11 Jun 94

[Text] Geneva, June 10 (XINHUA)—Peter Sutherland, director-general of the General Agreement on Tariffs and Trade (GATT), today urged the acceleration of talks on China's re-entry into the world trade body in the next few months.

During a meeting with a Chinese trade official here, Sutherland said that "positive" and "constructive" changes have taken place in the negotiations on the re-entry and the momentum should be kept.

The 112-member GATT will be part of the World Trade Organization (WTO) after the agreement on the Uruguay Round trade talks takes effect in early 1995.

All the GATT members will certainly be WTO members while those who are not in GATT before the date when WTO is set up will have to apply for WTO membership.

In his meeting with Long Yongtu, head of the Chinese delegation to negotiations with the European Union (EU) and the United States, Sutherland expressed his hope that all the sides show biggest flexibility, stressing that there should be further progress in talks on services.

The meeting took place after the Chinese delegation finished a round of talks with the U.S. and the EU on the resumption of China's status in GATT.

Long, also an assistant to Chinese Foreign Trade and Economic Cooperation Minister Wu Yi, briefed the GATT chief on Sino-U.S. and Sino-EU negotiations.

Ukraine, Russia Make Progress on Dividing Fleet
*OW1006213094 Beijing XINHUA in English 1628
GMT 10 Jun 94*

[Text] Kiev, June 10 (XINHUA)—Ukraine and Russia have made some progress on the division of the disputed Black Sea Fleet, according to recent reports.

Delegations from the two countries made "great improvement" in seeking a solution to the Black Sea Fleet issue during their latest round of talks in Kiev on June 8 and 9, the UKRAINIAN NEWS AGENCY reported.

The two sides have reached agreement on a detailed list related to the divided fleet, ground equipment along the coastline where the fleet is located and equipment in the surrounding community.

Although they agreed to keep the fleet at its current base in the port city of Sevastopol on the Crimea Coast, Ukraine and Russia still differ on this point. Russia has insisted on full control of Sevastopol, while Ukraine proposed that both fleets could be based in or near Sevastopol.

On May 24 and 25, the Ukrainian and Russian prime ministers held talks on the fleet but failed to reach agreement as the two sides disagreed over the location and terms for basing the two fleets.

U.S. Supports Proposal by Mozambique Resistance

*OW1206212694 Beijing XINHUA in English 1935
GMT 12 Jun 94*

[Text] Maputo, June 12 (XINHUA)—The U.S. Government will persuade President Joaquim Chissano of Mozambique to accept the proposal put forward by the Mozambique National Resistance (Renamo) for a government of national unity after the elections, said Renamo leader in Washington.

According to the local newspaper "SUNDAY" today, Renamo leader Afonso Dhlakama [name as received] said this before winding up his visit to the United States.

He said the U.S. Government is preparing to make President Chissano see the significance of establishing such a government in Mozambique after the elections in coming October.

During his visit to the U.S., which began early this month, Dhlakama also held meetings in New York with U.N. Secretary-General Butrus Butrus-Ghali and some representatives from member states of the U.N. Security Council. He said that they are also for the proposal.

Meanwhile, Dhlakama said the U.S. Government has decided to provide one million U.S. dollars to help enlarge the Renamo guerrilla force into a political party.

U.S. Special Envoy Visits Sudan To Push Cease-Fire

*OW1106211694 Beijing XINHUA in English 1904
GMT 11 Jun 94*

[Text] Khartoum, June 11 (XINHUA)—Melissa F. Wells, special envoy of U.S. President Bill Clinton, arrived here today in a bid to push forward the cease-fire in southern Sudan.

Following her arrival at Khartoum airport, Wells told reporters that her visit to Sudan came as a contribution to pushing forward the peace efforts made by the Inter-Governmental Authority on Drought and Development (IGADD), which groups Kenya, Ethiopia, Uganda, Eritrea, Djibouti and Sudan.

During her visit, Wells is expected to meet President Umar Hasan al-Bashir, whom she will present a message from U.S. President Bill Clinton on maintaining peace in southern Sudan.

The envoy will also hold talks with Sudanese senior officials and delegates of the negotiation team on the rescue operations for the war-torn people.

Earlier, the envoy has visited Kenya, Uganda, Ethiopia and Eritrea on the same mission.

Wells is an expert on African affairs. She has been ambassador of the U.S. to Zaire, Mozambique, Guinea-Bissau and Cape Verde.

Further on Envoy's Visit

*OW1306195994 Beijing XINHUA in English 1813
GMT 13 Jun 94*

[Text] Khartoum, June 13 (XINHUA)—Melissa F. Wells, special envoy of U.S. President Bill Clinton, said she will meet with the rebel movement in Sudan in a bid to bring about a cease-fire in the southern part.

Following a meeting here today with Ali al-Haj [Mohamed], Sudanese minister of state in the Federal Government Chamber, Wells said her role concentrates on arranging a cease fire between the government and the rebel Sudan People's Liberation Army (SPLA), Sudanese radio reported today.

The Sudanese minister said his government is ready to accept a cease fire if sincere and earnest steps are taken by the rebel side despite advances made by government troops on the battle ground.

Al-Haj asserted to the U.S. presidential envoy the lack of seriousness on the part of the rebel movement to negotiate peace, citing the delay of the rebel delegation to appear at the recent round of peace negotiations held in Nairobi.

He also praised the initiative made by the Inter-Governmental Authority on Drought and Development (IGADD) and its constructive role towards reaching peace in south Sudan.

The U.S. envoy arrived here last Saturday to push forward the peace efforts made by the IGADD, which groups Kenya, Uganda, Ethiopia, Eritrea and Sudan.

Sudan, which has a population of about 25 million, is split by conflicts between the Moslem-dominated government in the north and the Animist and Christian Church.

The SPLA led by John Garang has been fighting against the government since 1983, seeking more economic reforms in the south.

Qian Qichen Meets Israeli, Bangladesh Guests

OW1006122694 Beijing XINHUA in English 1129
GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—Chinese Deputy Premier and Foreign Minister Qian Qichen met here today with a delegation from Israel headed by 'Uzi Bar'am, Israeli minister of tourism.

Qian said that China's tourism industry, in its initial stage, had enjoyed rapid growth in recent years.

More Israeli tourists have come to visit China, Qian said. He expressed hope that the two countries would further their exchanges and cooperation in this regard, to strengthen the bilateral ties as a whole.

The Israeli guests arrived here on June 6 at the invitation of the China National Tourism Administration (NTA). During their stay in Beijing, Liu Yi, director of NTA, and Bar'am signed an agreement on cooperation in tourism.

Qian also met here today with G. W. Choudhury, from Bangladesh, who arrived here yesterday as the guest of the Chinese People's Institute of Foreign Affairs.

U.S. Secretary Discusses Resolving Regional Conflicts

OW1006223994 Beijing XINHUA in English 1953
GMT 10 Jun 94

[Text] Istanbul, June 10 (XINHUA)—U.S. Secretary of State Warren Christopher said today that U.S. hoped to resolve regional conflicts through peaceful means.

Speaking at the ongoing ministerial meeting of the North Atlantic Cooperation Council (NACC) held here, Christopher said that "We face the most destructive conflict in Europe since the Second World War. We have seen violence in the Caucasus and in Central Asia."

On the Bosnian conflict, Christopher said the U.S. believes that the steps agreed at the Geneva ministerial meeting last month offer the best chance for a resolution to that "horrible conflict."

Fighting broke out in Bosnia-Herzegovina in February of 1992 when Moslems and Croats, about 80 percent of the 4.3 million population in the former Yugoslavia

Republic, voted for independence from Belgrade. Thousands of people have been killed in the fighting.

NATO foreign ministers threw their weight Thursday [9 June] behind an effort to impose a territorial solution on the Bosnian conflict and reaffirmed their readiness to send a peacekeeping force once the warring parties sign an accord.

The 16 alliance members welcomed a one-month truce among the warring Serbs, Croats and Moslems, scheduled to take effect today, as a "positive first step."

They urged that the cease-fire should be expanded to include the separation of the combatants, the use of United Nations Forces to ensure the truce and the withdrawal of all heavy weapons.

The U.S. secretary of state said there were also potential conflicts in the former Yugoslavia, especially Ipdjina, Kosovo, and The Former Yugoslav Republic of Macedonia.

"They must be resolved to avoid a wider conflict in the region," said Christopher.

He said that "in the former Soviet Union, the United States has worked with all the parties to keep disagreements from erupting into violence."

"European stability depends on all countries' respecting of the sovereignty, independence, and territorial integrity of all the states that emerged from the Soviet Empire," he noted.

Christopher held talks today with his Russian counterpart Andrey Kozyrev on the U.S.-Russian relation and strengthening of the cooperation between NATO and Russia.

In a joint press conference following the talks, Christopher said that U.S. welcomes Russia's signature of the Partnership for Peace in the near future.

Forty-one foreign ministers from the NACC and former East Bloc countries are attending the meeting.

NACC Calls For Action on Arms Control Agreements

OW1006223494 Beijing XINHUA in English 2109
GMT 10 Jun 94

[Text] Istanbul, June 10 (XINHUA)—Foreign ministers or their representatives from 41 countries today called on the world to fully implement all the existing arms control and disarmament agreements.

In a statement released at the end of the North Atlantic Cooperation Council (NACC) meeting, the participants agreed that they will continue their supports to the CFE (Conventional Armed Forces in Europe) Treaty as a corner-stone of European security and stability.

They also urged an "early entry into force of the Convention on Chemical Weapons."

They asked all states to fully implement the "Biological and Toxin Weapons Convention and to strengthen it."

The statement also called for an early entry into force of the Treaty on Open Skies and increased transparency on conventional arms transfers.

The participants called for an early conclusion of a universal and effectively verifiable comprehensive test ban treaty.

In the nuclear field, the ministers "welcome the trilateral statement signed by Presidents Bill Clinton (of the U.S.), Leonid Kravchuk (of Ukraine) and Boris Yeltsin (of Russia) in Moscow on 14 January on the transfer of all nuclear warheads in Ukraine to Russia for dismantlement."

During the one-day meeting the ministers and representatives of the 41 countries also discussed the regional conflicts which could lead to instability in the region.

On the Bosnian conflict, the meeting urged the "parties concerned to conclude the comprehensive cessation of hostilities and negotiate an early and durable settlement of the conflict."

The meeting, which was chaired by Sergio Baganzino, deputy secretary-general of the NATO, decided to hold next NACC meeting in Brussels in December this year.

Lebanon Says U.S. Stops UN Condemnation of Israel

OW1006224294 Beijing XINHUA in English 1923
GMT 10 Jun 94

[Text] Beirut, June 10 (XINHUA)—Lebanon has expressed grievances for the U.S. opposition to the efforts to call a U.N. Security Council meeting to discuss its complaints against Israel, leading the council's failure to take any measure to denounce Israel.

Local press reported the Lebanese permanent representative to the U.N. said in a statement that "Because of one of the Security Council permanent members which hindered any step to condemn Israel or denounce its aggressions on Lebanon, the Security Council has refrained from declaring it was against the violations of the international law and the basic human rights." He was referring to the United States.

The representative said the Lebanese requests were understood and supported by most of the 15 members of the U.N. Security Council, but "after more than two weeks of consultations (since Lebanon lodged its first complaint) the Security Council did not take any measure."

The statement added that the failure to condemn Israel could only lead to "encourage Israel to believe that it is

above the law and it is absolutely free to commit other violations against Lebanon and its citizens."

Lebanon filed its first complaint to the U.N. Security Council against Israel following an Israeli Commando raid deep into Lebanon on May 21 in which Israeli Air-Borne Troops abducted Lebanese guerrilla leader Mustafa Dirani.

The second Lebanese complaint was lodged after Israeli warplanes attacked a training camp of the Lebanese pro-Iranian Hezbollah, or Party of God, in Beqaa Valley in eastern Lebanon and more than 100 people were reportedly killed or wounded in the air raid.

Lebanon held intensive contacts with the member states of the U.N. Security Council in order to push it to condemn the repeated Israeli aggressions.

The opposition of the United States for a Security Council meeting to debate the Israeli aggression on Lebanon has aroused criticism in Lebanon.

Local press accused the United States of standing behind the Israeli aggressions in order to press Lebanon and Syria to give up their firm positions in the peace negotiations with Israel.

U.S. Withdraws Diplomats From Haiti

OW1006223894 Beijing XINHUA in English 2122
GMT 10 Jun 94

[Text] Washington, June 10 (XINHUA)—The U.S. State Department said today it has ordered the departure of U.S. Embassy dependents and some Embassy employees from Haiti and urged all private U.S. citizens in Haiti to leave as soon as possible.

"We are advising Americans not engaged in essential diplomatic or humanitarian work and to depart Haiti as early as possible," Department Spokeswoman Christine Shelly told reporters at a regular news briefing.

"The political situation in Haiti remains unstable with potential throughout the country for random violence, sporadic disturbances and criminal acts," she said.

Shelly also issued a new travel warning on Haiti, saying that "U.S. citizens are warned against travel to Haiti" because of the suspension of the commercial air passenger service.

U.S. President Bill Clinton announced earlier today a ban on commercial air traffic between the United States and Haiti, which will take effect as of June 25 in order to allow those Americans who wish to leave Haiti to do so.

"U.S. citizens should make arrangements to leave as early as possible as airline seating may be limited," Shelly said.

She told reporters that about 120 Americans at the U.S. Embassy would be departing and approximately 80

would remain to provide services to American citizens, to continue refugee processing and to report on the situation in Haiti.

China Issues 'Biodiversity Action Plan' at Conference

OW1306115694 Beijing XINHUA in English 1141 GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—China today unveiled a bio-diversity action plan, to implement the 1992 Rio de Janeiro biological diversity convention, of which China was a signatory.

The plan was drawn up by the State Environment Protection Agency (EPA), the State Planning Commission, the Ministry of Agriculture, the Ministry of Forestry, other ministries and the Chinese Academy of Sciences.

It is the first national bio-diversity protection plan aided by the Global Environment Fund.

Bio-diversity, including animals, plants and micro-organisms, refers to ecosystem diversity, species diversity and genetic diversity.

Xie Zhenhua, director-general of EPA, said that sustainable development is at the core of China's strategy to conserve bio-diversity.

The strategy—a sustainable use of living things and a guarantee of a healthy cycle for the ecosystem—is expected to help create sound material and environmental conditions for a sustainable development of the national economy and the whole society.

He said that China would soon take some specific measures to ensure the fulfilment of the overall bio-diversity protection plan.

China would first decide which places and species need the most urgent protection, set up a monitoring system and information centers on bio-diversity, launch experimental projects to return artificially-bred species to nature, introduce a bio-diversity appraisal system, establish special funds for bio-diversity protection and expand international cooperation in this sphere.

Song Jian, state councillor and minister of the State Science and Technology Commission, noted that currently bio-diversity is seriously endangered by cutting and burning trees on a large scale, improperly reclaiming grasslands and wetlands, over-hunting of wild animals and over-gathering of wild plants, inappropriate use of pesticides, destructive fishing and environmental pollution.

"Bio-diversity has become a priority global environmental issue and the loss of bio-diversity is threatening people's life and development," he warned.

He said China is one of the dozen "mega-diversity" countries in the world. It has some 2,340 kinds of land

vertebrates, or 10 percent of the world's total, and more than 300,000 species of flora, which ranks it third in the world.

"In view of these facts, bio-diversity conservation in China is of great international significance," Song stressed.

The Chinese Government has been consistent in its efforts to protect the eco-environment while developing its economy and eliminating poverty, he said.

He added that the newly-launched action plan, a set of guidelines for bio-diversity conservation throughout China, will prove to be of great value in getting the whole of society to conserve the unique, rich and varied bio-diversity of China.

Xie said that the painstaking efforts made by the departments involved have begun to yield results. He recalled that China has since 1956 established more than 760 nature reserves, and the protected area now amounts to 6.8 percent of the country's entire territory.

He also said that China now has 110 botanical gardens, over 40 zoos, 26 breeding centers for endangered animals and more than 230 farms for rare and precious animals.

Today's conference to launch the bio-diversity action plan for China was attended by more than 400 government officials, experts, foreign ambassadors to China and representatives from the U.N. Development Program, the U.N. Environment Program and the World Bank.

State Council Opens More Counties to Foreigners

OW1306143294 Beijing XINHUA Domestic Service in Chinese 0829 GMT 13 Jun 94

[Text] Beijing, 13 Jun (XINHUA)—A spokesman for the Ministry of Public Security announced today that, approved by the State Council, China opened an additional 47 counties (cities) to foreigners, thus bringing the number of counties (cities) China has opened to foreigners to 1,147.

According to Article 20, Chapter 4, of the "Law Governing the Entry and Exit of Foreigners of the People's Republic of China," foreigners holding valid visas or residence permits may visit the aforementioned areas without having to apply for travel documents.

The latest counties and (cities) China has opened to foreigners are:

Shanxi Province: Shuozhou city; Xinzhou city; Yuci city; Yuanping city; Huozhou city; Fanshi county; Dingxiang county; Qixian county; Xiyang county; Jiaocheng county; Lishi county; Liulin county; Fangshan county; Linxian county; Xingxian county; Xixian county; Puxian county; Quwo county; Xinjiang county;

Jishan county; Hejin county; Linyi county; Yuanqu county; Jiangxian county; Xiaxian county; Pinglu county; and Yongji county.

Jiangxi Province: Boyang county; Hengfeng county; Wannian county; Yugan county; Guangfeng county; Yushan county; Anyi county; Lianhua county; Wuning county; Xiushui county; Fenyi county; Linchuan county; Zixi county; Xiajiang county; Jishui county; Wanan county; Anfu county; and Xinfeng county.

Anhui Province: Guichi county.

Yunnan Province: Mengla county.

Central Eurasia

'Roundup' Views Grachev's Caucasus Tour

OW1206155694 Beijing XINHUA in English 1501
GMT 12 Jun 94

["Roundup" by Zhang Tiegang: "Grachev's Caucasus Tour Fruitful"]

[Text] Moscow, June 12 (XINHUA)—Russian Defense Minister Pavel Grachev returned to Moscow on Saturday [11 June] night, winding up his four-day fruitful visit to the Caucasus.

During the trip, Grachev reached agreement on sending Russian peacekeeping troops to the Georgia-Abkhazia conflicting zone and agreement on building Russian military bases in Armenia and Azerbaijan.

The Russian minister arrived in Yerevan, the capital of Armenia, on Wednesday. There he held talks with Armenian leader Levon Ter-Petrosyan on stationing Russian military bases on the Armenian territory.

As a result of the talks, a Russian motorized rifle division and a motorized rifle regiment will remain in the cities of Gyumri and Yerevan. Grachev told reporters that there are plans to supply more ammunition to Russian troops to make them mobile.

Moreover, both sides decided to create the system of air-defense in Armenia in the framework of ensuring collective security on the Armenian territory.

Grachev and Ter-Petrosyan also discussed the implementation of a cease fire and the disengagement of troops in the zone of the Armenian-Azeri conflict, which was signed earlier this year in Moscow.

More than 3,000 people have been killed in six years of fighting over the disputed territory of Nagorno-Karabkh, an Armenian-populated enclave surrounded by Azeri territory and theoretically ruled by Azerbaijan.

On Friday, Grachev arrived in the Georgian capital of Tbilisi, where he met with Georgian Leader Eduard

Shevardnadze. They discussed the timing and a mechanism of the deployment of Russian peacekeepers in the zone of the Georgia-Abkhazia conflict.

Afterwards, the Russian minister left for Gudauta to discuss the same issue with Abkhazian leaders.

According to Grachev, both Georgia and Abkhazia agreed on having Russian peacekeeping forces stationed in the conflict zone.

Three Russian motorized-rifle battalions from two peacekeeping divisions in the Leningrad [St. Petersburg] and Privolgye Military Districts are ready to arrive at the conflict zone and also ready to take part in the disengagement of the warring forces and the enforcement of cease fire is a Russian paratrooper regiment now stationed in Gudauta.

Meanwhile, the commander of the Russian troops in the Transcaucasus has been ordered to prepare another three battalions for the peacekeeping operation.

Thousands of people have died since a war broke out between the breakaway Abkhazia and Georgia in August 1992.

Grachev arrived in Baku, the capital of Azerbaijan, on Saturday. One of the main topics in his talks with Azeri President Geydar Aliyev was the Azeri-Russian protocol on a cease fire and the disengagement of troops in the Azeri-Armenian conflicting zone, which was signed on May 17.

Both men also discussed the establishment of a rocket attack prevention station in Gabel, a major facility located in the north of Azerbaijan. According to Grachev, the Azeri president fully agreed that the station was of strategic importance for both sides.

They also talked about the creation of a single system of air-defense in the caucasus, a main topic in Russia's foreign policy in the "near abroad."

Returning to Moscow on the same day, the Russian minister told reporters that Aliyev had positively responded to all these issues and ordered his Defense Ministry and experts to look into details.

Estonian President Stops in Xinjiang En Route to Beijing

OW1406020994 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 13 Jun 94

[From the "Xinjiang News" program]

[Text] Estonian President Lennart Meri, who is coming to pay a state visit to China at the invitation of President Jiang Zemin, made a brief stopover at the Urumqi Airport yesterday afternoon (12 June) on his way to Beijing. Entrusted by President Jiang Zemin, Xinjiang Regional Chairman Abulaidi Amudurexiti greeted the

Estonian president at the airport. The host and guest had a cordial and friendly conversation in the airport's VIP lounge.

Arrives in Beijing 12 Jun

*OW1206133694 Beijing XINHUA in English 1327
GMT 12 Jun 94*

[Text] Beijing, June 12 (XINHUA)—Estonian President Lennart Meri arrived here this evening to start a seven-day state visit to China as guest of Chinese President Jiang Zemin.

Meri is making his first China tour since he became president in October 1992.

The president was accompanied by his wife Helle Meri and a group of Estonian entrepreneurs. Estonian Foreign Minister Juri Luik, also in the president entourage, is expected to come tomorrow.

Among those greeting him at the airport was Liu Songjin, chairman of the Chinese Government Reception Committee and vice-minister of communications.

Jiang Zemin Meets Meri

*OW1306162094 Beijing XINHUA in English 1515
GMT 13 Jun 94*

[Text] Beijing, June 13 (XINHUA)—Chinese President Jiang Zemin pointed out during his talks with his Estonian counterpart Lennart Meri that Sino-Estonian ties have enjoyed smooth development.

Meri said that a good basis exists for the two countries to develop mutually beneficial cooperation.

During the talks, Jiang said that Meri's visit was an important event in bilateral ties, which would give impetus to Sino-Estonian cooperation.

Jiang appreciated the positive attitude the Estonian Government and Meri are taking toward developing Sino-Estonian relations. "The Chinese Government is satisfied with the smooth development of the bilateral ties since the two countries established diplomatic relations three years ago," Jiang said.

Meri expressed his thanks for China's acknowledgement of Estonia soon after it regained independence and said that his current China visit is of historic importance.

"The two countries have differences as well as lots of common points," he said. "There is a good basis for the two countries to develop mutually beneficial cooperation."

Although Estonia is a small country, it is important in terms of geopolitics and the global economy, which would play an important role in China's entry into the market of West Europe, Meri said.

"I hope that entrepreneurs of the two countries will further their contacts in order to expand bilateral economic cooperation," he added.

The Chinese president said that China respected and understood Estonia, a country regaining independence, to determine its social, economic and foreign policy according to its reality.

"We always hold that all countries, big or small, rich or poor, strong or weak, are all equal members in the international community," Jiang said. "We are against seeking hegemony and power politics, as well as interference in other countries' internal affairs."

Non-interference in other countries' internal affairs, Jiang said, is the core of a new international political and economic order China advocates establishing.

He stressed that China's principal task was to handle its own affairs well and to develop its economy, which was an important contribution to the world.

Although the two countries have conducted direct trade for only a short time, it has had a good start, Jiang said. "The delegation of entrepreneurs the president brought to China this time will create a good opportunity for people in the industrial circles of the two countries to establish contacts with each other," he added.

China, along with Estonia, would like to develop a new economic cooperative field on the basis of equity, mutual benefit and joint prosperity, Jiang said.

Meri expressed his appreciation for Jiang's view that stability is the prerequisite of development, and said that every country should have a "brake" built into its economy.

He said that China had achieved positive results in its economic reforms.

The two leaders also exchanged views on regional and international issues of common concern.

After the talks, they signed a Sino-Estonian joint declaration.

Before the talks, Jiang presided over a ceremony to welcome Meri.

Qian Qichen Meets Meri

*OW1406090194 Beijing XINHUA in English 0743
GMT 14 Jun 94*

[Text] Beijing, June 14 (XINHUA)—Qian Qichen, China's vice-premier and foreign minister, said here today that he is looking forward to his coming visit to Estonia.

Qian said this when he met with visiting Estonian President Lennart Meri here at the Diaoyutai State Guesthouse this morning.

According to an official of the Chinese Foreign Ministry, Qian and Meri discussed bilateral relations as well as the international situation during the meeting.

Qian said that China and Estonia share common points in many ways.

Meri said he will be delighted to receive Qian in Estonia, adding that it is good for both Estonia and China to further enhance bilateral political and economic cooperation.

Meri said that great changes have taken place in the world, and that the United Nations is playing a more and more important role. He said that Estonia holds that small nations in the U.N. should have the same right to speak, and hoped China would make efforts for this goal.

Qian said China has always maintained that all nations, big or small, should be equal. Small nations are the majority in the U.N., he said, and the functions of the U.N. General Assembly should be strengthened and resolutions approved by the Assembly should be respected by the international community, in which small nations can play roles.

Touching on bilateral economic relations, Meri said that Estonia enjoys a good investment environment and there is great potential for bilateral economic cooperation.

The president hoped that China would take positive action and encourage Chinese enterprises to do business in Estonia.

Meri said that China is rich in oil resources and that Estonia has strengths in oil shale exploration and utilization, hoping that the two countries may conduct cooperation in this regard.

Qian agreed that entrepreneurs in the oil industry of both countries should have contacts to discuss cooperation possibilities.

He said some small Chinese entrepreneurs are doing business with Estonia at present and that the two governments should give support to these enterprises.

After the meeting, Qian hosted a banquet in honor of Meri and his party.

Border Disarmament Talks Held With 4 CIS States

OW1006134694 Beijing XINHUA in English 1332
GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—China and four members of the Commonwealth of Independent States (CIS) concluded here today their 12th round of talks on troop reduction in their border regions and confidence-building in the military field.

The talks, which began on May 23, were held between a Chinese delegation and a joint delegation for the four

CIS states—Kazakhstan, Kyrgyzstan, Russia and Tajikistan. Both delegations were made up of diplomatic and military experts.

In a friendly and practical atmosphere, the two delegations exchanged views on matters concerned, sources here said.

And the two sides agreed that the next round of talks is to be held in mid-September, according to the sources.

During the talks here, Chinese Vice-Foreign Minister Dai Bingguo met with the joint delegation of the four CIS countries.

Procurator General Receives Uzbek Counterpart OW1306123194 Beijing XINHUA in English 1108 GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Zhang Siqing, procurator-general of the Chinese Supreme People's Procuratorate, met here today with Mustofiev Buritosh [name as received], general procurator of Uzbekistan.

Buritosh and his party arrived here on June 8 for a week-long visit to China as guests of the Chinese Supreme People's Procuratorate.

Northeast Asia

XINHUA Reports Hata Remarks on DPRK Nuclear Issue

OW1406083694 Beijing XINHUA in English 0807
GMT 14 Jun 94

[Text] Tokyo, June 14 (XINHUA)—Japanese Prime Minister Tsutomu Hata said here Monday [13 June] that his country is unable to participate in military missions around the world.

At a meeting of the committee for budget attached to the House of Councillors, Hata said that Japan can only take actions within the framework of the Constitution, including such activities as backup support and mine-sweeping during the Gulf war.

"It is very difficult for Japan to cooperate with the United States in the military aspect of possible sanctions against the Democratic People's Republic of Korea," the prime minister said while referring to the nuclear dispute on the Korean peninsula.

Before the routine meeting of the committee for budget, both the Japanese prime minister and Foreign Minister Koji Kakizawa said Japan should keep in close touch with the United States, South Korea and China to strive for a peaceful settlement on the nuclear dispute in the Korean peninsula.

Meanwhile, measures put forward at the U.N. Security Council concerning the issue should be carried out step by step, they said.

Files on Nanjing 'Massacre' To Be Published 'Shortly'*OW1306125194 Beijing XINHUA in English 0943 GMT 13 Jun 94*

[Text] Shenyang, June 13 (XINHUA)—Files recording the Japanese massacre in Nanjing in 1937, which were discovered here in late 1992, are expected to be published shortly.

The massacre record, more than 20,000 words long, was kept in the files of the formerly Japanese Manchu Railway Company. It was unearthed at the end of 1992 in an archive in Shenyang, capital of north-east China's Liaoning Province.

The record, in Japanese, says that the Shanghai office of the Japanese company took part in burying more than 30,000 of the people killed in the massacre.

It notes that over 600 men participated in the burying, which took three months.

"It was a hard job," it says, and refers to the problems caused by warm weather.

According to the record, the population of the city of Nanjing dropped drastically by 80 percent after the Japanese occupation.

The Japanese railway company was a colonialist institution set up by the Japanese invaders in north-east China at the end of Japanese-Russian War, mainly engaged in railway management, and also involved in mining, industry and agriculture, politics, economy and military affairs.

It was responsible for economic take-overs for the Japanese aggressors and provided a large amount of war materials for them.

XINHUA Cites NODONG SINMUN on Withdrawal From IAEA*OW1406100194 Beijing XINHUA in English 0931 GMT 14 Jun 94*

[Text] Pyongyang, June 14 (XINHUA)—The Democratic People's Republic of Korea (DPRK) announced here Monday [13 June] that it would immediately withdraw from the International Atomic Energy Agency (IAEA) and reject any inspections of its nuclear facilities, local newspaper "NODONG SINMUN" reported today.

The DPRK strongly accused the IAEA of committing an act of grave encroachment on the dignity and sovereignty of the DPRK, saying that it is a prelude to U.N. "sanctions".

On June 10, the IAEA adopted a resolution urging the DPRK to open its "military facilities" and suspend the agency's assistance to the DPRK.

In response to the IAEA's resolution, the DPRK Foreign Ministry was authorized to declare as follows:

Firstly, we will immediately withdraw from the IAEA. We will consider invalid all the unreasonable "resolutions" adopted by the agency with regard to our issue and will not be bound to any rules or resolutions of the agency hereafter.

Without the agency we can develop our independent nuclear power industry and expand international cooperation in the realm of nuclear activities.

Secondly, we declare that inspections for the continuity of safeguards which we have accepted in our unique status will no longer be allowed.

No unreasonable inspection can be allowed until a decision has been made for us to return to the nuclear Nonproliferation Treaty or to completely withdraw from it.

Hence, the agency's inspectors will have nothing to do any more in our country.

Thirdly, we strongly reaffirm our position that U.N. "sanctions" will be regarded immediately as a declaration of war.

The statement said that the DPRK's position will never change until the nuclear issue has been solved fairly through dialogue and negotiation.

XINHUA Chinese Cites Paper*OW1406105994 Beijing XINHUA Domestic Service in Chinese 0706 GMT 14 Jun 94*

[Text] Pyongyang, 14 Jun (XINHUA)—According to a report in today's "NODONG SINMUN," the DPRK Foreign Ministry spokesman on 13 June issued a statement saying that the DPRK would immediately withdraw from the International Atomic Energy Agency [IAEA] and reject any inspection of its nuclear facilities.

The statement says: The IAEA's 10 June resolution is an act of grave encroachment on the dignity and sovereignty of the DPRK.

The statement says: The DPRK Foreign Ministry will take three countermeasures: First, we will immediately withdraw from the IAEA. We will consider invalid all the resolutions adopted by the agency; second, inspections for the continuity of safeguards which we in our unique status have accepted will no longer be permitted; and third, the DPRK reaffirms its position that UN sanctions will be regarded as a declaration of war.

In conclusion, the statement says: The DPRK's aforementioned position will never change until the nuclear issue has been solved fairly through dialogue and negotiation.

**Spokesman Declines Comment on DPRK
Withdrawal From IAEA**

*HK1406094294 Hong Kong AFP in English 0920 GMT
14 Jun 94*

[Text] Beijing, June 14 (AFP)—China on Tuesday declined to comment on North Korea's announced threat to quit the International Atomic Energy Agency (IAEA), saying it had yet to receive official confirmation of a walkout. "We have taken note of the relevant report, but have not got official information," a foreign ministry spokesman said. "We will follow closely the development of the situation."

North Korea's official KCNA news agency announced Monday that Pyongyang was withdrawing from the Vienna-based nuclear watchdog organisation, three days after the IAEA adopted sanctions against it. China, the closest major ally to the isolated Stalinist state, abstained in the vote and reiterated that it would not join moves to approve economic sanctions at UN level. It insists on dialogue with Pyongyang as a means of resolving the 13-month-long crisis.

Meanwhile, KCNA, monitored in Tokyo, said a North Korean military delegation returned home Monday after visiting China. The delegation was headed by Choe Kwang, a member of the Politburo and chief of staff of the North Korean armed forces. The dispatch gave prominence to Chinese pledges of continuing support and loyalty to North Korea. It quoted General Liu Huaqing, a member of the standing committee of the Chinese communist party's Politburo and deputy chairman of the central military commission, as saying "friendly relations between the two countries ... have reached a higher phase and been consolidated today." "The people of China treasure Sino-Korean friendship and will pass it on from generation to generation," he was quoted by KCNA as saying.

IAEA Denies Knowledge of DPRK Withdrawal

*OW1406021894 Beijing XINHUA in English 0209
GMT 14 Jun 94*

[Text] Vienna, June 13 (XINHUA)—The International Atomic Energy Agency (IAEA) said here tonight that it had no knowledge of the withdrawal of the Democratic People's Republic of Korea (DPRK) from the IAEA.

Hans Meyer, a spokesman for the IAEA, said that the DPRK could not have withdrawn from the IAEA because the IAEA had not received any notification of a withdrawal from the DPRK.

He added that the two nuclear inspectors from the IAEA in the DPRK had not reported anything abnormal and that inspection work would continue, in accordance with the regulations of the Nuclear Nonproliferation Treaty, even if the DPRK was to announce its withdrawal.

**PRC Military Head Meets DPRK Military
Delegation**

*SK1406013494 Beijing China Radio International in
Korean 1100 GMT 13 Jun 94*

[Text] Colonel General Liu Huaqing, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, emphasized in Beijing on the morning of 13 June that the ultimate goal for resolving the nuclear issue on the Korean peninsula is realizing the denuclearization of the Korean peninsula and peace and security on it. He said that China's position at the nuclear issue should be resolved peacefully through dialogue among the parties concerned.

Colonel General Liu Huaqing said this at the meeting with a DPRK military delegation led by Vice Marshal Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of the General Staff of the Korean People's Army, at the Diaoyutai, the State Guest House.

Stating that close friendly relations have been cemented between the two countries and peoples of China and the DPRK, Colonel General Liu Huaqing said that friendly relations between China and the DPRK are very precious ones that should be inherited for all generations to come.

Vice Marshal Choe Kwang said that promoting friendly relations between the DPRK and China corresponds with the desire of the two countries' peoples and that the DPRK highly evaluates China's efforts to develop bilateral friendly relations. He said that he believes that the bilateral friendly relations would further develop and be consolidated.

During the meeting, the military leaders of the two countries share the view on activating the military exchange between the two countries.

The Korean military delegation arrived in China on 6 June and, during its stay, visited Beijing, Hangzhou, and Shanghai.

**Shandong Vice Governor Meets DPRK Provincial
Delegation**

*SK1206063994 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 11 Jun 94*

[Text] On the evening of 11 June, Li Chunting, deputy secretary of the provincial party committee and vice governor, cordially met with the delegation from South Hwanghae Province, DPRK led by (Kim Yon-ki), secretary of the WPK Committee of South Hwanghae Province of the DPRK, at Nanjiao Hotel in Jinan.

Li Chunting extended a warm welcome to the guests. He said: Since the establishment of friendly relations between Shandong Province and South Hwanghae Province in 1985, leaders of both sides have exchanged visits

on several occasions. The friendly relations between the two provinces have unceasingly developed. Li Chunting introduced Shandong Province's basic situation to the guests, particularly the tremendous changes since reform and opening up. He expressed hope that the delegation's visit will further promote exchange and cooperation between the two provinces and strengthen friendship between the two sides.

(Kim Yon-ki) thanked Li Chunting for meeting him and congratulated Shandong Province on its achievements gained in reform, opening up, and economic construction.

It was learned that during their stay in our province, (Kim Yon-ki) and his entourage will visit Jinan, Qufu, Taian, and Qingdao.

Southeast Asia & Pacific

Burma's Religious Minister Myo Nyunt Calls on Qian Qichen

BK1106143094 Rangoon Radio Burma in Burmese 1330 GMT 11 Jun 94

[Excerpts] [passage omitted] A Myanmar [Burmese] delegation led by Lieutenant General Myo Nyunt, member of the State Law and Order Restoration Council [SLORC] and minister of religious affairs who is currently in Beijing to convey the Sacred Buddha Tooth Relic, called on Mr. Qian Qichen, deputy prime minister and foreign minister of the People's Republic of China, at State Guest House No. 12 in Beijing at 1610 on 7 June. Also present during the occasion were Myanmar Ambassador U Set, Military Attache Colonel Thein Kyi, Myanmar delegation members, Mr. (Qian Xiato), ministerial-level director of the Religious Bureau, Mr. (Xian Shiyin), vice chairman of PRC Buddhist Association, and responsible personnel. They took souvenir photographs and held friendly, cordial, and frank talks on bilateral cooperation matters. Lt. Gen. Myo Nyunt then presented gifts to Mr. Qian Qichen. [passage omitted]

Ding Guangen Receives Lao Delegation

OW1306093994 Beijing XINHUA in English 0843 GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—High-level exchanges between China and Lao [as received] and their communist parties have increased in recent years, to the benefit of both, said Ding Guangen, member of the Political Bureau of the Communist Party of China (CPC) Central Committee, here today.

Ding, also a member of the Secretariat of the CPC Central Committee, this morning warmly welcomed a delegation from the Central Propaganda Training Department of the Lao People's Revolutionary Party (LPRP), led by Osakan Thammatheva, member of the Central Committee of the LPRP and head of the department.

China and Lao are friendly neighbors linked by mountains and rivers, and both countries are advancing along the socialist road and striving to develop the economy, Ding said, noting that the enhancement of the understanding and friendship between the two parties and the two countries is in the interests of the two peoples.

Ding gave the guests an account of the situation in China's material and cultural development.

Osakan spoke highly of the experience of the CPC's political and ideological work as well as China's policy of reform and opening-up. Moreover, the Laotian visitor briefed Ding on the situation in LPRP's ideological and promotions work.

The Lao delegation arrived here Thursday as guest of the CPC.

Zheng Bijian, deputy head of the Propaganda Department of the CPC Central Committee, and Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, have also met the delegation respectively.

Australian Deputy Premier Meets With Leaders

Zhu Rongji Meets Howe

OW1006135394 Beijing XINHUA in English 1337 GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—Chinese Vice-Premier Zhu Rongji held talks with Brian Howe, Australian deputy prime minister and minister for housing and regional development, on Sino-Australian relations, bilateral trade as well as issues concerning urban construction.

Zhu said that Sino-Australian friendly cooperative relations have enjoyed satisfactory development in recent years, with frequent exchanges of high-level visits between the two countries, large-scale increase in [word as received] in bilateral trade and continuous expansion of economic and technological cooperation.

The current visit by Howe is another major event in bilateral relations, which will be significant for the mutually beneficial cooperation between the two countries, Zhu said.

China has adopted a series of important reform measures in taxation, finance, investment and foreign trade system and achieved positive results, Zhu said, adding that these have injected new power in developing Sino-Australian trade, economic and technological cooperation.

China is conducting reforms in its urban construction and it needs to learn advanced technology and experience from other countries, Zhu said, adding that China is willing to exchange experience and cooperate with Australia in this regard.

Howe said that China's high-speed economic development has attracted world's attention, and that Australia attaches great importance to developing friendly cooperation with China.

He said that Australia supports China's resumption of its status as GATT's signatory state and would like to work with China to this end.

Howe said the economies of China and Australia are mutually complementary and conducting bilateral cooperation is in line with the interests of both countries.

Australia and China should be cooperation partners and should explore new ways and fields for bilateral cooperation, said Howe.

The Australian visitors arrived here this afternoon at the invitation of the Chinese Government. Chen Jinhua, Chinese minister in charge of the State Planning Commission, met with Howe this afternoon.

Li Peng, Brian Howe Discuss Human Rights

HK1306121594 Hong Kong AFP in English 1155 GMT
13 Jun 94

[Text] Beijing, June 13 (AFP)—Australian Deputy Prime Minister Brian Howe said here Monday he believed charges would soon be brought against an Australian businessman, James Peng, held in a Chinese jail since October. Howe, who arrived here Friday for an eight-day China visit, said he had made clear in a meeting with Chinese Vice Premier Zhu Rongji that "an Australian citizen being held and not charged is unacceptable."

Zhu had acknowledged it was "a poor reflection of the (Chinese judicial) system" and pledged to do his best to resolve the issue, but stressed that Peng's suspected involvement in corruption was "very serious," Howe told journalists. His understanding was that charges would be brought soon, he said.

Peng, 35, was seized by police in Macao in October and then handed over to Chinese police. He has since been held in the Meiling Detention Centre in the southern city of Shenzhen. Under Chinese law, suspects may be held for no longer than five months without charges.

Howe said he had discussed human rights more broadly during a meeting with Chinese Premier Li Peng on Monday, but acknowledged that the talks had not progressed beyond a "philosophical" debate on the importance of mutual concern for problems in each other's countries. The official said the overall development of bilateral relations remained limited by this "inability to communicate effectively around the issue of human rights." He received little response when he reiterated Canberra's long-standing invitation for a Chinese human rights delegation to visit Australia.

On China's nuclear test last Friday, Howe said he had once again expressed Australia's concern, telling his

Chinese interlocutors that such actions were inconsistent with Beijing's commitment to move towards a test ban by 1996. Chinese officials responded by reiterating that other nuclear powers had carried out many more tests and that the ball was in their court to reduce their stocks to achieve "a situation of parity," Howe said, predicting that more Chinese tests may well be in the pipeline.

During Howe's visit the two sides signed a memorandum of understanding on the potential of cooperation in the construction sector. How is to travel to Shanghai after visiting Yantai in northeastern Shandong province. He is to attend the signing in Shanghai of a joint venture agreement to manufacture steel building rods. Howe was to leave Beijing for Yantai Monday evening.

Discuss Cooperation Ties

OW1306130694 Beijing XINHUA in English 1252
GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Chinese Premier Li Peng expressed the hope today that exchanges and cooperation between Chinese and Australian Governments and entrepreneurs would be further strengthened to keep up the momentum of development of bilateral relations.

When meeting with visiting Deputy Prime Minister Brian Howe of Australia here today, Li said that Sino-Australian ties have seen marked development in recent years, with many high-level visits and contacts between departments of the two countries.

Li noted that Howe had effective talks and consultations with Chinese Vice-Premier Zhu Rongji and key Chinese departments, which will be of positive significance to the promotion of Sino-Australian mutual cooperative relations.

The Chinese premier said that China and Australia, both located in the Asia-Pacific region, share common interests in maintaining regional security and stability and promoting regional economic cooperation.

He holds that China and Australia, complementary in their economies, enjoy a good cooperative foundation.

Howe told Li that his government attaches great importance to its ties with China, adding that Australia is willing to maintain consultations and strengthen cooperation with China in international and bilateral fields.

He noted that his current China tour is to obtain an understanding of China's reform and opening-up and experiences of social development. "We learned a lot about China," he said.

This morning Chinese State Councillor and Minister in charge of the State Commission for Restructuring the Economy Li Tieying and Mayor Li Qiyan of Beijing municipality met with Howe and his party separately.

Also this morning Howe and Chinese Minister of Construction Hou Jie signed a memorandum of understanding on housing and urban development.

More on Talks

OW1306134594 Beijing XINHUA Domestic Service in Chinese 1005 GMT 13 Jun 94

[By reporter Yang Guojun (2799 0948 6874)]

[Text] Beijing, 13 Jun (XINHUA)—Premier Li Peng met with Australian Deputy Prime Minister Brian Howe at Zhongnanhai today. He expressed the hope during the meeting that the governments and enterprises of China and Australia will take a further step to strengthen exchanges and cooperation and to maintain the development momentum of bilateral relations.

Li Peng said: As a result of the concerted efforts made by both sides, Sino-Australian relations have developed greatly in recent years, with many high-level visits and contacts occurring between departments of the two countries. He noted that during the current visit, Brian Howe has held effective talks and consultations with Vice Premier Zhu Rongji and key Chinese departments. The talks and consultations will be of positive significance to the promotion of mutually beneficial Sino-Australian cooperative relations. Li Peng said: China and Australia, which are both located in the Asia-Pacific region, share common interests in maintaining regional security and national defense stability and in promoting regional economic cooperation. He stated that China and Australia, which are highly complementary in terms of their economies, enjoy a good cooperative foundation.

Brian Howe Said: The Australian Government, which very much values its relations with China, is willing to maintain consultations and to strengthen cooperation with China in international and bilateral fields. He noted that his current China visit is to obtain an understanding of China's reform and opening up and experiences in social development. He said he has learned a lot about China.

This morning, Li Tieying, Chinese state councillor and minister in charge of the State Commission for Restructuring the Economy, and Beijing Mayor Li Qiyang met with Brian Howe and his party separately. Minister of Construction Hou Jie signed with Brian Howe a memorandum of understanding on housing and urban development.

Howe Holds News Conference

OW1306141294 Beijing XINHUA in English 1357 GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Australian Deputy Prime Minister Brian Howe said here today that the relationship between Australia and China is an important one, and that there are mutual benefits.

Howe, who has been here on an official visit since June 10, made the remarks at a press conference here this afternoon.

During his stay in Beijing, Howe has met with Chinese Premier Li Peng, held talks with Vice-Premier Zhu Rongji and signed a memorandum of understanding on housing and urban development with Chinese Minister of Construction Hou Jie.

Addressing the press conference, Howe said that the economic and trade relations are an important part of bilateral relations, adding that such relations are growing stronger, with a very substantial growth in two-way trade in recent years and growing investment in China by Australia.

The deputy prime minister regarded the Australia-China memorandum of understanding on housing and urban development as a "practical outcome" of his current China visit, saying that the agreement sets in place an institutional framework for closer cooperation between the two countries in this sector.

He said that Australia has technical expertise and management skills to make a contribution to China's reforms and economic construction.

Howe is scheduled to leave here for Yantai, Shandong Province, this evening, from there continuing on to Shanghai, the largest industrial city in China. He will attend the signing ceremony of a joint venture agreement between the Shanghai Bao Feng Steel Structure Co. Ltd. and Australia's National Building Frames in Shanghai on June 16.

Vanuatu Prime Minister Concludes Trip

OW1006130894 Beijing XINHUA in English 1247 GMT 10 Jun 94

[Text] Shanghai, June 10 (XINHUA)—Vanuatu Prime Minister Maxine Carlot Korman concluded his four-day working visit to China and left here today.

The prime minister and his party arrived here on Tuesday [7 June] morning at the invitation of the Chinese Government.

Prior to his departure, Carlot said that the visit was aimed at exploring ways of furthering his country's cooperation with Shanghai in economy and trade. "The trip has been a success," he said.

West Europe**UK Firms Seek New Trade Agreements**

HK1306035094 Beijing CHINA DAILY in English 13 Jun 94 p 2

[By Chang Weimin: "UK Group To Search For Trade Agreements"]

[Text] A hundred British bankers, traders and industrialists hope to expand their stakes in China with a 15 day tour of a dozen cities in September.

Sir Peter Cazalet, vice-president of the China-Britain Trade Group, said he hoped the mission would usher in a new era for Chinese-British co-operation.

The hosts are the China Council for the Promotion of International Trade, Ministry of Foreign Trade and Economic Co-operation, China International Trust and Investment Corporation, Ministry of Construction and the Bank of China.

Senior executives from major conglomerates, such as APV plc, General Electric Corporation and National Westminster Bank, will discuss wide ranging business issues with the Chinese.

Sir Peter, also chairman of APV, one of the world's largest food and beverage equipment manufacturers, was in Beijing last weekend preparing for the visits.

The corporate executives expect to see Chinese leaders, Sir Peter said. APV, which has provided equipment to hundreds of companies in China, has just completed paperwork for an equipment manufacturing plant in Beijing.

According to Sir Peter, the new plant, in its initial phase, will manufacture fluid handling components such as valves, pumps, clamps and fittings of international standards.

The plant, to be located in the northeastern suburbs of Beijing, will be a base for business expansion of APV, which has offices in Beijing, Shanghai and Guangzhou.

"We need experience for operations in China, and the plant will be a test site for seeing how deep and warm the water really is in the country," he said.

In an interview with CHINA DAILY, Sir Peter said APV has a long-term commitment to the "dynamic, enormous" Chinese market. It plans further investments at a later date.

Market surveys are under way to check out prospects for making larger equipment in China.

At some future date, APV will launch ventures to manufacture stainless steel pumps and heat exchangers.

Chinese graduates from several colleges such as Wuxi Light Industry College will be trained under APV's Seligman Fellowships. Trainees may spend time learning their jobs in Britain. More training programmes will help upgrade technology for increasing food and beverage exports, he said.

The revolution of eating and drinking habits in China to meet modern community requirements will take a long time to accommodate APV's long-term operations in the country, Sir Peter said.

He said the mix of food and beverages produced in China is becoming more hygienic and nutritious. APV will help Chinese accelerate the process.

NPC's Wang Bingqian Receives Danish Delegation

OW1406092694 Beijing XINHUA in English 0730
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Wang Bingqian, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC), met with a delegation from the Danish parliament's Trade and Industry Committee, here today.

The 24-member delegation, led by Chairman Lissa Mathiasen of the committee, arrived here on June 12 for a visit to China at the invitation of the NPC's Financial and Economic Committee.

The delegation is expected to travel to Shanghai, in addition to its stay in Beijing.

Li Lanqing Meets German Guests

OW1006121794 Beijing XINHUA in English 1122
GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Von Wuerzen, secretary of state of the Germany's Federal Ministry of Economics, and his party here today.

The German visitors arrived here on June 8th at the invitation of the Chinese State Planning Commission.

Germany's Kohl Describes Shandong as 'Good Partner'

OW1406045494 Beijing XINHUA in English 0351
GMT 14 Jun 94

[Text] Bonn, June 13 (XINHUA)—German Chancellor Helmut Kohl today praised China's Shandong Province as a good partner for Germany.

Kohl made the remark here when meeting with Jiang Chunyun, a member of the Political Bureau of the Chinese Communist Party (CCP) and secretary of the Shandong Provincial CCP Committee.

During their half-hour talk, Kohl also expressed deep concern over development in Shandong and China generally.

Jiang briefed Kohl on the situation in Shandong and characterized development in China as: Stable politics, a developing economy, deepened reform and a more liberal "open door" policy.

Jiang arrived in Hamburg yesterday on a visit at the invitation of Edmund Stoiber, minister-president of Bavaria.

Maltese Prime Minister Ends Visit 11 Jun*OW1106053194 Beijing XINHUA in English 0314
GMT 11 Jun 94*

[Text] Shenzhen, June 11 (XINHUA)—Maltese Prime Minister Edward Fenech Adami and his party left here this morning at the end of their visit to China.

Adami, accompanied by Shi Guangsheng, chairman of the Chinese Government Reception Committee, arrived here by air yesterday morning.

In the afternoon a Malta-Shenzhen seminar was held.

Maltese Deputy Prime Minister and Foreign Minister Guido de Marco and Maltese entrepreneurs gave accounts of Malta's investment environment, the chances for trade and its preferential policies aimed at absorbing foreign investors.

They also answered a series of questions raised by businessmen in the city.

Both Adami and vice-mayor of the Shenzhen City Li Guangzhen attended the seminar and delivered speeches.

Yesterday evening, Li Youwei, mayor of Shenzhen City, gave a dinner in honor of Adami and his party.

Shandong Strengthens Ties With Swedish Province*OW1206014794 Beijing XINHUA Domestic Service in
Chinese 0423 GMT 9 Jun 94*

[By reporter Xu Furui (6079 4395 3843)]

[Text] Stockholm, 8 Jun (XINHUA)—China's Shandong Province and Sweden's Vastmanlands Province signed three letters of intent in Vestebro city [name as transliterated] on 8 June to further consolidate and develop their friendly relations and cooperation.

Jiang Chunyun, CPC Central Committee Political Bureau member and Shandong party secretary who is currently visiting Sweden, and Sweden's Vastmanlands Governor Young Ludd [name as transliterated] signed the three letters of intent.

The three letters of intent are: "Letter of Intent for Establishing Friendly Interprovincial Relations Between Shandong Province of the PRC and Vastmanlands Province of the Kingdom of Sweden," the "Letter of Intent on Cooperation Between Weihai City and Vastmanlands Province of Sweden To Build an Environmental Protection Demonstration Town in Weihai," and the "Letter of Intent for Unfolding Enterprise, Economic, and Technological Cooperation Between Vastmanlands Province of Sweden and Shandong Province of the PRC."

After the signing ceremony, the two sides held a joint news conference. Both Jiang Chunyun and Young Ludd expressed readiness to work together to promote friendly

contacts and economic and trade exchanges between the people of the two provinces and to actively carry out exchanges and cooperation in science and technology, culture, sports, public health, education, and other fields on the basis of equality and mutual benefit.

The Shandong goodwill economic delegation headed by Jiang Chunyun arrived in Vestebro city, provincial capital of Vastmanlands, on 7 June for this visit. Jiang Chunyun and Young Ludd and other Vastmanlands officials held working talks on the morning of 8 June. The delegation's Sweden visit will continue until 12 June.

Shandong Secretary Meets With Swedish Officials*SK1206040394 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 11 Jun 94*

[Text] On 10 June, (Ferdier Feishikeshe), vice president of the parliament of Sweden, met with Jiang Chunyun, member of the Political Bureau of the CPC Central Committee and secretary of the Shandong Provincial party committee, who is currently visiting Sweden. Both sides held friendly talks.

Jiang Chunyun also held talks with Mats Odell, minister of transport and communications of Sweden. Both sides explored ways to conduct cooperation in the transport and communications sphere.

Over the past few days, the delegation visited some industrial enterprises in Sweden. The visit will end on 12 June.

Latin America & Caribbean**Li Peng Sends Message Congratulating OAU on 30th Summit***OW1306125394 Beijing XINHUA in English 1205
GMT 13 Jun 94*

[Text] Beijing, June 13 (XINHUA)—Chinese Premier Li Peng today congratulated the Organization of African Unity (OAU) on its 30th summit which opened today in Tunis.

In a message sent to the summit, Li Peng said the birth of new South Africa signified the victory accomplished by the OAU and all African people in the political field.

But Li also expressed the concern over the on-going conflicts in some African countries, in particular Rwanda.

"Continued turbulence in some regions, and fighting in Rwanda in particular, has already taken a heavy toll and wrecked the economy, which has aroused widespread concern in the international community," said Li.

"We firmly support the OAU in its vigorous efforts to mediate in regional conflicts in Africa and maintain political and social stability in African countries," he added.

While wishing the summit a complete success, the premier said to enhance friendly relations and cooperation with Africa "has all along been part and parcel of the foreign policy of the Chinese Government."

NPC's Li Peiyao Receives Brazilian Senate Delegation

OW1306124994 Beijing XINHUA in English 1201
GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Li Peiyao, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met with Julio Campos, first secretary of Brazilian federal Senate, and his party and hosted a dinner in their honor here this evening.

Julio Campos and his party arrived here on June 11 as guests of the International Liaison Department of the Chinese Communist Party Central Committee.

Defense Minister Receives Chilean Visitors

OW1406002694 Beijing XINHUA in English 1347
GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Chi Haotian, China's minister of national defense, met here today with Vice-Almirante Alfredo Gallegos Villa-Lobos [title, name as received], chief of the General Staff of the Chilean Navy, and his party.

Zhang Lianzhong, commander of the Chinese Navy, also met with the Chilean visitors earlier today.

Peruvian Leader Alberto Fujimori Continues Visit

Holds News Conference

OW1006213494 Beijing XINHUA in English 1500
GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—President Alberto Fujimori of the Republic of Peru said here today that Peru attaches much importance to its ties with Asia, and China in particular.

China's endeavor to build a socialist market economy has yielded great success, the president said a press conference here today.

He noted that China is not only one of Peru's most important trade partners, but also its third largest foreign investor.

The current visit has enabled him to have a first-hand knowledge of the great achievements of his host country, said Fujimori, whose last trip here was made three years ago.

China's successes would not have been achieved without the political system and the democratic form that conform to its own national conditions, he said.

No matter what a political system or democratic form is called, it is crucial that they should fall in line with the conditions of that country, he stressed.

Referring to Peru's experience, Fujimori said that the sort of democracy and political system Peru once inherited from the West had, in fact, infringed upon human rights and brought about disasters to the people and their nation.

Since 1992, he said, Peru has been trying to build a political system that best suits its own national conditions. As a result, the economy has recovered, foreign exchanges increased and inflation effectively curbed, he said.

No country should be allowed to interfere in the internal affairs of other countries, he said, adding that only when countries respect each other, can people develop economy, safeguard world peace and build up a new world order.

Arrives in Shanghai

OW1106130294 Beijing XINHUA in English 1248
GMT 11 Jun 94

[Text] Shanghai, June 11 (XINHUA)—Shanghai Mayor Huang Ju met with President Alberto Fujimori of the Republic of Peru here this evening.

They had a cordial and friendly talk and both expressed the hope for stronger economic links.

President Fujimori arrived here this morning from Beijing.

This afternoon, Fujimori attended the opening ceremony of a Peruvian photo show. Then, he toured the Pudong New Area.

Departs Shanghai, Ends Visit

OW1206121694 Beijing XINHUA in English 1146
GMT 12 Jun 94

[Text] Shanghai, June 12 (XINHUA)—Peruvian President Alberto Fujimori, concluding his state visit to China, left here for Japan this afternoon.

Among those seeing him off at the airport were Bao Xuding, chairman of the Chinese Government Reception Committee and vice-minister of machine-building industry and Vice-Mayor Xu Kuangdi of Shanghai.

Press Communique Issued

OW1206105694 Beijing XINHUA in English 1026
GMT 12 Jun 94

[Text] Beijing, June 12 (XINHUA)—A Sino-Peruvian press communique was issued here today in which the

presidents of the two countries expressed willingness to continue concerted efforts for the long-term and stable growth of bilateral ties.

Peruvian President Alberto Fujimori made a state visit to China from June 8 to 12 at the invitation of Chinese President Jiang Zemin.

The communique mentioned the official talks between the two presidents and a meeting between Chinese Premier Li Peng and Fujimori.

The communique said that the leaders of the two countries discussed bilateral ties and expressed satisfaction with the development of bilateral friendly ties and cooperation in the fields of politics, economy, trade, culture, science and technology since the two countries established diplomatic relations 23 years ago, and with the consensus they had reached on international affairs.

Peru reaffirmed in the communique that it abides by the principles of a communique on the establishment of diplomatic ties between the two countries, adhering to its "one-China" position and recognizing the Government

of the People's Republic of China as the sole legitimate government representing the whole country. China expressed appreciation for this, the communique said.

The communique said that the two countries signed an agreement on the promotion and mutual protection of investment, a Sino-Peruvian consular agreement, and an agreement for the Bank of China to provide Peru with export credits.

The leaders of the two countries exchanged views on the situation in their respective regions and the rest of the world as well as other major international issues and reached consensus on these issues.

China wants to further its friendly cooperation with Latin-American countries. The leaders of the two countries noted that they enjoy common interests in developing relations between the Pacific Basin and Latin-America and desire to continue their efforts to contribute to this. Fujimori invited Chinese President Jiang Zemin to visit Peru at a time convenient to him, which Jiang accepted with pleasure.

Political & Social

Tian Jiyun Says Reform Policy To Remain 'Unchanged'

OW1306141494 Beijing XINHUA in English 1353
GMT 13 Jun 94

[Text] Fuzhou, June 13 (XINHUA)—Tian Jiyun, vice-chairman of the Standing Committee of the National People's Congress (NPC), said here today that the general framework of China's reforms and opening to the outside world will remain unchanged.

He noted that there are no changes in policies to encourage overseas investment formulated by the Chinese Government in the past decade.

Tian made the remark during his recent inspection of east China's Fujian Province upon learning that some overseas businessmen are now worrying about the stability of China's policies and society.

Tian said that China's society is stable and he expects overseas investors to go ahead with business plans in China.

The vice-chairman also stressed the development of agriculture.

He urged Fujian to increase the income of farmers while promoting grain production and developing a diversified economy in rural areas.

He stressed the development of rural industry, private enterprises and individual commerce.

He said that the growth of rural industry and overseas-funded enterprises can be the motive power behind the development of state enterprises.

He said that the development of a market economy calls for encouraging the development of diversified economic elements.

Wen Jiabao Discusses Rural Reform

HK1406083294 Beijing QIUSHI in Chinese No 11, 1
Jun 94 pp 2-6

[Article by Wen Jiabao (3306 3367 1405): "It Is Necessary To Deepen Rural Reform and Promote Agriculture to New Heights"]

[Text] With Comrade Deng Xiaoping's important talks in early 1992 and the 14th party congress as a milestone, China's reform, opening up, and socialist modernization entered a new phase of development, and so did rural economic restructuring.

I. The New Situation Facing Rural Reform

In the wake of the Third Plenary Session of the 11th CPC Central Committee, China's countryside took the lead in conducting reform, scoring achievements that attracted

world attention. Through reform over a dozen years or so, the rural economic structure has undergone profound changes: First, the highly centralized people's commune structure was abolished, and the contract responsibility system on a household basis with remuneration linked to output, in the main, and the two-tier managerial structure characterized by the combination of centralization and separation set up. Second, diversified economic factors and forms were developed, with a pattern taking shape of the common development of diversified economic factors, with public ownership as the main body. Third, under the prerequisite of maintaining steady growth in grain and cotton output, the rural industrial setup was readjusted, diversified management and enterprises in towns and townships was developed, economic ties between urban and rural areas were expanded, and rural division of labor was considerably developed. Fourth, the system of state monopoly in the purchase and marketing of farm produce was gradually abolished; the farm produce market has greatly developed; and markets of such essentials as land, labor force and capital are taking shape. Fifth, the state's macroeconomic regulation and control over agriculture and the rural economy has been improved, and increasingly has adopted economic means to regulate rural economic activities, with the market role obviously expanded. Reform has effectively promoted agricultural and rural economic development. Consequently, the rural areas have undergone a historical change, while laying a foundation for the reform and development of the entire national economy.

Generally speaking, the rural areas today are still in the process of converting from the old to the new structure, and the tasks of reform are from being completed. The old structure has not been entirely eradicated, and is still functioning in some aspects; whereas the new structure has just been built, and is still incomplete and imperfect in many aspects. The rural managerial main body and property right system are incomplete and imperfect, the rural market is not highly developed, and a macroeconomic regulation and control system meeting the demands of the socialist market economy has not been set up. The contradictions and problems surfacing in rural economic operations are problems in the process of the old structure converting to the new, the reflection of their conflict and contradictions in progress. The fundamental way of resolving the contradictions and problems in rural economic development lies in deepening reform.

With the comprehensive transition of the entire national economy to the socialist market economy, new requirements are levied on the deepening of rural reform. In recent years, the rural areas have been faced with some new problems urgently awaiting solution; these are mainly a drop in the comparative economic returns of agriculture—especially grain and cotton production—the widening price gap between industrial and agricultural products, and slow increase in peasants' income. It is imperative to stabilize the party's basic policies for the rural areas, accelerate rural economic development, and

further augment the basic role of agriculture. All this calls for voluminous work, and continuous arduous exploration. It is necessary to promote the rational flow and combination of various rural production essentials, and to realize the optimal allocation of economic resources on the basis of stabilizing the contract responsibility system on a household basis with remuneration linked to output. Under the prerequisite of ensuring effective supplies of major farm produce, it is necessary to develop diversified management, enterprises in townships and towns, and other industries; to promote on-the-spot transfers of surplus rural work force and the export of labor service in an orderly way; and to realize effective supplies of farm produce and a simultaneous increase in peasants' income. Under the conditions in which peasant households' separate production is conducted on a small scale, it is imperative to actively develop the rural market, further invigorate circulation, augment the opening up of the rural economy, and achieve the dovetailing of production with the market. In the course of developing the socialist market economy, it is imperative to augment the government's guidance, support, protection, regulation and control of the agriculture, and gradually to narrow the gap in economic development and income level between urban and rural areas and localities. These issues have a bearing not only on rural reform and development, but also on the overall situation of China's reform, opening up, and modernization. We must do a good job in solving them in a down-to-earth way in the next step of in-depth rural reform.

Compared with the past, rural reform—from day one to the present—boasts some new characteristics: First, rural reform increasingly has touched upon deep-level interest contradictions; it is imperative to be very meticulous in the design of reform plans, the selection of timing, and the grasp of magnitude. Second, rural reform increasingly has interwoven with urban reform. In many aspects, it is very difficult for rural reform to go it alone; that being the case, rural and urban reform should be conducted in coordination in a whole range. The difficulty and complexity of rural reform have increased greatly. In this context, rural reform has entered a stage of tackling the bottleneck; the tasks for reform are more arduous, with greater efforts involved in deepening reform than in the past.

II. Correctly Grasp the Goal of Rural Reform

The 14th party congress set the goal of China's economic restructuring to be building the socialist market economy structure. That was proposed on the basis of our party persisting in the truth-seeking ideological line, referring to the experiences of various countries, especially summarizing China's successful experiences in reform and opening up, and a creative development of Marxism-Leninism-Mao Zedong Thought at that. "The Decision" adopted by the Third Plenary Session of the 14th CPC Central Committee further set out the basic framework of the socialist market economy structure, which is the general plan and program for action for

economic restructuring in China. Rural reform is an important component in building the socialist market economy structure, and plays a very important role in the entire economic restructuring in China. It is imperative for us to focus closely on the general goal of building the socialist market economy structure so as to further deepen rural reform.

From the very start, rural reform has been market oriented, with two important characteristics: First, it allowed the peasants sufficient say in production and operation to give play to the enthusiasm of the broad numbers of peasants. Second, it led agriculture and the rural economy into the market, while giving play to the role of the market mechanism. The rural areas were one step ahead in building the socialist market economy structure. The tremendous success of rural reform has provided evidence of the correctness of its orientation.

Today, China's rural areas are in a stage of change, from having sufficient food and clothing to being comparatively well-off, and from traditional to modern agriculture. Agricultural and rural economic development face two extremely arduous tasks: First, to ensure effective supplies of farm produce. Second, to ensure a steady increase in peasants' income. Fulfillment of these two goals calls for adopting measures in various aspects, and the most fundamental is to adhere to and deepen rural reform based on the general planning and requirements of building the socialist market economy structure.

Ensuring effective supplies of farm produce is the foundation for the smooth going of the entire cause of reform, opening up, and modernization. The per-capita possession of agricultural resources in China is limited, and it is very difficult to change the trend of shrinking amounts of arable land. With the population growth and elevation in income level, social demand for major farm produce will continue to grow. It is this which calls on us to attach great importance to the supply-and-demand balance of major farm products—by no means should we be careless about it. To ensure the effective supply of farm products, the most fundamental point is to protect and give play to the peasants' enthusiasm, and to augment the basic role of agriculture so as to promote steady agricultural development. This precisely calls for formulating a price policy that is helpful to the production development of such major farm products as grains, cotton, and oil; to deepen purchase and marketing restructuring; and to improve agriculture's comparative economic returns. It is necessary to rely on science and technology to develop high-yield, high-quality, and high-return agriculture, and to improve agricultural labor productivity. It is imperative to increase the input of the state, the collective, and individuals so as to augment comprehensive agricultural production capability.

Increasing peasants' income is an overall issue that has a bearing on China's economic development and social stability. To increase peasants' income, it is imperative gradually to narrow the gap between industrial and agricultural products by means of a rational price policy.

However, to basically resolve the issue of peasants' income in a country like ours which has a great population—and a great agricultural populace, in particular—it is not enough to rely on the government's price policy alone. The most fundamental way is to comprehensively develop the rural economy, and improve the comprehensive economic returns of the rural economy. This precisely calls for doing a good job in comprehensive agricultural development; exploiting non-arable land such as waste hills, water surface, grasslands, beaches, courtyards and backyards; and implementing the comprehensive development of agriculture, forestry, animal husbandry, sideline production, and fishery in a big way. It is necessary to develop an appropriate scope of operations in places where conditions are ripe so as to elevate the degree of intensiveness. It is necessary to regulate the rural economic structure, take an active part in developing secondary and tertiary industries, and develop all sorts of products with additional value under the prerequisite of ensuring the steady growth of such major farm produce as grain and cotton. It is imperative to guide enterprises in towns and townships toward appropriate concentration and toward linking with the construction of small towns so as to accelerate the transfer of the surplus rural work force, while creating conditions for an appropriate scope of operations in agricultural development.

Whether in ensuring supplies of farm produce or increasing peasants' income, it is imperative to give play to the role of the market mechanism, so that the market may play a basic role in allocating resources. For this reason, it is necessary to develop the product market in a big way, and actively develop the production factors market in order to instill new vitality in the entire agricultural production and rural economy, and to promote growth in the general supply volume of farm produce. It is necessary to promote rural economic restructuring to achieve the rational allocation of various economic resources so that the comparative advantages of various localities may be given full play, and so the peasants' income can continue to grow in the comprehensive development of the rural economy.

We must have a clear idea that in order to develop the socialist market economy by no means should we let agriculture go it alone. Agriculture has a long production period and is greatly affected by natural factors. It is a department with low direct economic returns, but a high degree of social effects, and is more often than not in an unfavorable position in market competition. Peasant households in China operate on a very small scale, with very weak ability to resist natural and market risks. For a long time, China has relied on agriculture to accumulate funds for industrial development. Consequently, agricultural infrastructure conditions are weak. The per-capita possession of agricultural resources is very limited, with comparatively obvious restriction of resources in increasing effective supplies of farm produce. These characteristics decide that in the course of introducing the market mechanism to the agricultural arena, major

fluctuations in the supply of farm produce are hardly avoidable, and it is very difficult to ensure the steady growth in peasants' income if the government fails to adopt the necessary supportive measures along with effective macroeconomic regulation and control. Of course, the macroeconomic regulation and control we refer to does not mean to return to administrative ways of the traditional structure toward agriculture, but to conduct effective regulation chiefly through economic and legal means so as to mend the insufficiency of the market, support and protect agriculture, promote market stability and prosperity, and protect the interests of the peasants and consumers.

The transition of agriculture to the socialist market economy structure is a process during which it is imperative for us to firmly grasp the goal of rural reform and work hard to create conditions, while continuing to guide in-depth rural reform

III. The Major Tasks for Deepening Rural Reform

According to the basic work principle the Central authorities have decided for 1994, and the requirements of "grasping the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability," the basic tasks for rural work are to earnestly implement the "Decision of the Central Committee on Building the Socialist Market Economy Structure" and the spirit of the central rural work conference, to deepen rural reform, to further give play to the peasants' enthusiasm, and to promote rural economic development so as to improve peasants' income and maintain rural social stability. In deepening rural reform at present, it is imperative to focus on grasping the following issues:

First, on the basis of stabilizing the contract responsibility system on a household basis with remuneration linked to output, it is necessary to promote the rational flow of rural production essentials and to achieve the optimal allocation of rural economic resources.

The two-tier managerial structure, on the foundation of the contract responsibility system on a household basis with remuneration linked to output, is a basic economic system in the rural areas which must be stabilized for a long time, and continuously completed and perfected. Under this prerequisite, it is imperative to meet the need of the rural division of labor and readjustment of the industrial setup, so that various rural production essentials—including work force, land and funds—may flow reasonably, while continuously optimizing their way of combination. That is the inherent requirement on the development of the rural productive force, as well as the basic channel for accelerating rural economic development and improving peasants' income.

With the deepening of reform in recent years, various rural production essentials have begun to flow, with their reorganization under way. Regarding land, a small number of comparatively economically developed regions have begun to adopt various forms—including the transfer of contracted land and converting land-use

rights to shares, as well as the development in rural division of labor—to develop an appropriate scale of operation on the land. Some impoverished areas have stepped up the exploitation of nonarable land resources through auctioning land-use rights of “four wastes.” Some peasants from economically underdeveloped areas have gone to the rural areas of economically developed regions to contract land. Regarding funds and work force, they too are flowing in various ways. The central authorities have earnestly summarized these creations of the peasants, and have set out a series of measures for deepening reform: Under the prerequisite of persisting in the collective ownership of land, the contracted period of arable land is extended, while allowing the inheritance of contracted operational right of developmental production projects and the transfer of land-use right with compensation according to the law. Enterprises in towns and townships are guided to appropriately concentrate in small towns, and their household registration control system will undergo gradual reform, while allowing peasants to enter small towns to work and do business. The rural cooperative foundation will be standardized, so that it may become a communal organization of mutual-aid in funds, while refraining from operation in saving deposits and loans, but serving agriculture and the peasants within the realm of the community.

To promote the rational flow of rural production factors on a still larger scale, the key lies in the shaping of a sound flowing mechanism, finding a flow pattern and form of combination in conformity with various conditions, while creating a sound external environment for the flow of production factors. In recent years, various categories of the shareholding cooperative system have surfaced in the rural areas which are playing an increasingly greater role in promoting the flow of production factors and the rational allocation of resources. They should be given great attention. Such organizational forms have a certain adaptability in many rural arenas, and have become an important operational organizational form, which gradually must be standardized on the basis of earnestly summarizing experiences. We should guard against rushing headlong into developing the shareholding cooperative system, but we should not violate mass voluntariness or resort to administrative means in compulsory implementation. The shareholding cooperative system should not be regarded only as a means for fundraising. Attention should be paid to clarifying property rights relations, converting operational mechanisms, and shaping effective assets accumulation. There are other good forms in the combination of rural production factors. It is imperative to select the proper form by proceeding from the actual conditions and suiting measures to local conditions; we should not confine ourselves to any specific way.

Second, it is necessary to develop intermediary market organizations in a big way and to adopt various ways to effectively link peasant households' production operations with the market.

The peasant household operates on a small scale in China. Under the condition of the gradual opening of operation in farm production, it is imperative to promote the development of intermediary market organizations in a big way. That is an important aspect in completing and perfecting the rural market system, and it must be grasped as an important task in deepening rural reform.

We must encourage diversified forms in developing intermediary market organizations. There already are now various forms of economic bodies, such as trade-industry-agriculture combinations; production, supply and marketing shaping into a whole range; and companies with participation of peasant households; in addition to various categories of associations of specialized technology for peasants—all of which are effective organizational forms to link peasant households to the market, with bright prospects for their development. We must give them all-out support and promote their even more rapid development.

To better protect the peasants' interests based on China's national conditions, while referring to successful world experiences, it is necessary to pay special attention to developing cooperative economic organizations in various categories and to guide the peasants to enter the market. To develop rural cooperative economic organizations, the key lies in proceeding from the inherent requirements of economic development and showing full respect for the peasants' will, while genuinely persisting in the basic principle of cooperative economy. It is necessary to link up with the building of the agricultural socialized service system and to focus on circulation, processing, and other agricultural service arenas. The development of cooperative economic organizations in these arenas is beneficial to protecting the peasants' interests and to developing the rural economy, and the peasants welcome such practices. Supply and marketing cooperatives at various levels should continue to deepen reform, and genuinely make themselves the peasants' cooperative economic organizations. They should take an active part in exploring new paths for development in the direction of comprehensive service organizations. Village collective economic organizations should actively run economic bodies in the service trade so as to render service to household operations, while gradually accumulating assets to magnify collective economic strength. In a nutshell, it is necessary to proceed from the peasants' actual needs; develop diversified intermediary organizations; link the peasants to the market; and promote the rural division of labor so that agriculture may develop in the direction of being specialized, socialized, and converting to commodity.

Third, it is imperative to strengthen the government's macroeconomic regulation and control over agriculture.

The government's macroeconomic regulation and control mainly embody support for agricultural production and protection of peasants' interests. Mainly economic means are adopted in macroeconomic regulation and

control. At present, it is especially necessary to grasp work as follows: First, it is necessary to work hard to increase agricultural input. In the course the market economy development, all sorts of production factors are driven by interest, and follow those industries that yield high economic returns; consequently, agriculture more often than not is placed in an unfavorable position. This precisely requires the government to augment its support and protection of agriculture in a down-to-earth way. This being the case, it is imperative to readjust the distribution pattern in the national economy and to increase the proportion of national investment in capital construction, funds in financial budget, and loans for agricultural purpose so as to gradually increase agricultural input. At the same time, we should enthusiastically encourage the peasants and collectives to increase labor and capital input to continuously improve agricultural production conditions, and to augment the material and technological foundation of agriculture. Second, it is necessary to augment and improve macroeconomic regulation and control over the farm produce market. We should strengthen market control, standardize market behavior, and do a good job in the regulatory storage structure so as to maintain market stability. It is necessary to deepen the restructuring of grain and cotton purchasing and marketing; firmly grasp the founding, completion, and perfection of the regulatory storage system and market risk fund; ensure supplies; and protect the interests of the producer and consumer. Third, it is imperative to protect peasants' interests in a down-to-earth way. We must support industrial development for agricultural purposes, do a good job in supplying agricultural production materials, and earnestly resolve such issues as insufficient supplies of chemical fertilizers and diesel oil, and excessive high prices. We must unremittingly do a good job of monitoring and control of peasants' burdens, which must be reduced with continuous efforts so as to protect their economic interests. Fourth, it is necessary to establish, complete, and perfect the socialized service system. We should proceed from the peasants' actual needs, develop diversified service organizations, and shape a service network characterized by the combination of village collective economic organizations, state economic and technological departments, and various specialized technological associations jointly organized by the peasants.

To deepen rural reform, it is necessary to have a clear picture of the goal and tasks, while simultaneously paying attention to methods. Many experiences in rural reform over the past dozen years or so should be inherited and brought forward. First, we must persist in emancipating our minds, seeking truth from facts, proceeding from actual conditions in everything, experimenting boldly, allowing to wait and see, and refraining from argument, while paying attention to summarizing experiments. Second, we must show full respect for the peasants' spirit of initiative, and link mass spontaneous invention with active guidance by the leadership.

Third, regarding major reform measures, in some cases they should be unfolded by being shaped into a whole

range, with related departments according to different conditions, with plans formulated first. In other cases, experiments should be conducted in partial areas and the experience gained should be spread. Fourth, work in this arena should be conducted in order of the degrees of difficulty, by starting from the comparatively easier link and area to realize a stable transition step by step. Fifth, we must persist in linking reform with development. The bottlenecks in development should be regarded as the key to reform, while promoting development through reform. In short, we should always persist in weighing the acceptance or rejection of various reform measures and should determine their success or failure by the basic criteria—namely, whether or not they are helpful to developing the socialist social productive force, whether or not they are helpful in augmenting the comprehensive national strength of the socialist country, whether or not they are helpful to improving people's living standards—so that reform may win an extensive and profound mass foundation.

In the course of rural reform and development, another extremely important issue is precisely to strengthen the building of rural grass-roots organizations, spiritual civilization, democracy, and the legal system, so that the rural material and spiritual civilizations may enjoy synchronous development. For this reason, we should at all times persist in the principle of "doing two types of work simultaneously, attaching equal importance to both" so as to achieve synchronous development of the material and spiritual civilizations in rural areas. At present, many rural grass-roots organizations are in a state of weakness and relaxation, and some do not even play any role. Social order is unsatisfactory in some places, with strong resentment from the peasants. In other places, feudal superstition is on the rise, with all sorts of ugly phenomena rising and spreading. Should no solutions be found to these problems, reform and development will be affected and the party's foundation in the rural areas will be endangered. If spiritual civilization fails to develop, material civilization will not develop, either. Even if the material civilization develops for a while, it will retrogress in the end. While studying rural reform and development, we should by no means neglect this point.

In the course of building the socialist market economy structure, the tasks involved in rural reform are great and arduous. It is imperative for us to adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and to the basic line of the party, under the leadership of the Central Committee with Comrade Jiang Zemin as its core, and earnestly implement the party's various rural principles and policies to deepen rural reform, push agriculture up a new plane, lay a solid foundation, and create sound conditions for ensuring the smooth going of the entire economic restructuring and the sustained, rapid and healthy development of the national economy.

Dissident Threatens Hunger Strike Over Police Watch

HK1406044694 Hong Kong AFP in English 0412 GMT 14 June 94

[Text] Beijing, June 14 (AFP)—Chinese dissident Wang Dan threatened Tuesday to go on hunger strike to protest the constant police surveillance to which he has been subjected since returning to Beijing at the weekend. In a telephone call to AFP, the former 1989 Tiananmen democracy movement student leader said he feared for his safety. "Two plain clothes police accompany me wherever I go, walking alongside me and fixing me with menacing looks," he said. Wang Dan, 24, said that four or five other police in plain clothes and uniform are outside his home day and night.

"Neighbours have complained about the situation and my mother has gone today (Tuesday) to the local police station to get this persecution stopped. If the police are still there Wednesday at 9:00 p.m. (1300 GMT) I will start a hunger strike," said Wang, who returned to Beijing after spending time in Shandong province, east China, to avoid trouble with police during the fifth anniversary of the June 4 Tiananmen massacre.

Avant-Garde Artists Arrested, Materials Seized

HK1406105494 Hong Kong AFP in English 1035 GMT 14 Jun 94

[Text] Beijing, June 14 (AFP)—Two young avant-garde artists arrested here at the weekend are still being held by police, their friends said Tuesday. Ma Liumin, 25, and Zhu Min, 22, were arrested when about a dozen uniformed and plainclothes police descended on an informal art show organized by the two at their home in the city's eastern Chaoyang district just as it wound up Sunday afternoon, witnesses said.

Police Tuesday again raided the artists' home, where a number of painters live, and took away paintings and materials, the friends said.

Police refused to comment, although Monday they confirmed the raid, but gave no details.

"Ma was nude during the gathering but his show was purely artistic and had no political message," one of the artist's friends said.

Report on Beijing Vice Mayor Zhang Baifa

HK1006114094 Hong Kong TA KUNG PAO in Chinese 1 Jun 94 p 13

[Report on interview with Beijing Vice Mayor Zhang Baifa by staff reporter Ma Ling (7456 3781), in Beijing; date not given: "Zhang Baifa—Commoner Turned a Mayor of Beijing"]

[Text] Zhang Baifa has been serving as vice mayor of Beijing for 14 years, under four different superiors; he is the eldest in terms of seniority and can be regarded as the

most well-known. Owing to his background and character, some people call him the "commoner mayor," and because of his "rise" and merits, some people call him the "construction worker turned mayor." In any case, no matter how you address him, his unique character and characteristics as a mayor have been recognized unanimously.

When people mention Zhang Baifa, their thoughts turn to a series of buildings put up in Beijing after the nation's founding because his name can be linked to many large and small construction projects in Beijing: From the eight major colleges, the Friendship Guest House, the Great Hall of the People, and the Museum of History in the 1950's, to the Asian Games Village, the project of transforming the second and third loops, the capital's airport expressway, the Beijing West Passenger Station, and the Healthy Housing Project in the 1990's. Zhang Baifa, who has been serving as vice mayor of Beijing since 1981 and thus has become an "elder having served four superiors," is in charge of urban construction. Along with the emergence of the magnificent breadth of spirit of the ancient capital—Beijing—and the successful organization of the 11th Asian Games in Beijing and Beijing's vigorous bid to host the 2000 Olympic Games in the international community, Zhang Baifa's reputation and influence are no longer linked only to buildings in Beijing, but have followed the outward extension and expansion of construction projects to places outside the country, like China's sports undertakings—flying across the ocean to places outside the mainland.

"Think a Little—In Fact, the Souvenirs Left by Life That Make People Feel Most Solid To See Are the Construction Workers"

When the conversation came to Zhang Baifa's most favored old trade—construction, he could not help being exultant, and his eyes, which have their own characteristics, became narrow lines, as he said happily: "I feel it is very meaningful to have a career in construction, I am really delighted to see the buildings of various styles in Beijing. Think a little—in fact, the souvenirs left by life that make people feel most solid to see are the construction workers."

In the West, people call architecture solidified music. However, whether in the West or in the East, architecture is a sign of human life.

In October 1934, Zhang Baifa was born in a peasant household in Hebei's Xianghe County. He was a little kid, but he had to help his family make a living by cutting wood and weaving. He did not go to a primary school until he was 10 years old, and he stayed there for a year. In that time, his hometown was a guerrilla zone, so when he was in school, he and his family had to hide here and there because of the war against the Japanese. Later, Japan surrendered and the northeast was liberated, and they kept celebrating. Indeed, he did receive very little education.

He said when recalling the events in that period: "When I was in the school, my deepest impression was the liberation of Jinzhou. The first song we sang in school was 'Without the Communist Party There Would Be No New China.' In this way, we cultivated our plain feeling."

In 1948, he was 14 years old, and he walked with his father from his hometown to Beiping [old name of Beijing], where they became individual operators engaged in the weaving business. Every day, day after day, when he opened his eyes, he would begin weaving, until he was very tired, then he would collapse onto the weaving machine and sleep; life became boring. He sighed and said: "In that time, the small business indeed could not earn any money, unlike today's individuals who can get rich very quickly; the phenomenon we see now is abnormal, and it shows that the government has many loopholes for them to get through." However, reflecting on the life which tempered him in that time, he said humorously: "In that time, I learned some technique, and that is, no interference could disrupt my sleep; therefore, now, no matter how noisy, I can sleep."

In 1949, he returned to his hometown to see his mother, at a time when the CPC and the Kuomintang were fighting for control of Beiping. When he returned to the capital in 1950, Beijing was already controlled by the CPC. He lived in the Gongyuan area in the eastern part of Beijing. In those years, untidy earth mounds and rubbish heaps could be seen everywhere over there, and it was a neighborhood where poor people lived. Opposite the big complex where he lived, there was a big building under construction, to usher in the three-year period of revitalization and construction in Beijing. He was attracted by the flames and activities in the construction site, and whenever he finished the weaving job, he would try to enter the site to play. By coincidence, the workers specializing in reinforcing bars in the construction site lived in the complex where he lived, so he also learned how to tie up reinforcing bars.

In 1951, he left the weaving machine and joined the construction trade, working as a reinforcing bar worker, and the first project he participated in was the three-storey People's Bank of China building. Entering the trade, he felt broad and independent. In those years, he received no wages, and he worked the whole day for eight jin of rice, but he was very content. Afterward, he moved to the huts inside construction sites, and there he lived for 16 years.

He said: "In that time, we basically did not work in the winter, during which period we claimed 70 percent of our wages, and every day we were organized for studies—to learn politics, 'On Contradictions,' and so on. Some well-known professors from Beijing University came to give us lectures, and we really learned a lot of things." These studies also theoretically armed his work in the years to come.

Thereafter, he joined the Communist Youth League, and became the leader of a small team. Soon after, a banner reading "Zhang Baifa's Young Reinforcing-Bar Commandos" was hoisted, and they fought here and there in the capital, winning great merits. Zhang Baifa and his commandos were commended as model workers for 11 consecutive years. He himself was elected a national advanced producer in 1956; in 1958 he was elected a deputy to the National People's Congress; and in 1959 he was granted a meeting with party and state leaders at a get-together party for national heroes. His name has been well-known since the 1950's.

In 1965, Zhang Baifa officially took a leading post, serving as the deputy manager of the No. 3 Construction Company. He moved into his own office. Thereafter, he took the post of deputy party secretary of the company. During the Cultural Revolution, like other model workers, Zhang Baifa was brought down. He was transferred downward to the No. 2 Automobile Company in Hubei Province, where he still took charge of housing construction. In January 1973, he returned to Beijing. Thereafter, he served as the vice minister of the State Construction Commission. In 1981, he took the post of vice mayor of Beijing, and he has been serving in the post until now.

At the request of this reporter, Zhang Baifa talked about the extraordinary relations he has with several senior leaders.

Zhang Baifa's relations with Wan Li were established when the former was a model worker. He said: "In 1958, Wan Li was minister of the State Commission for Urban Construction, and on a certain occasion, he granted us a meeting, and I sat just next to him. He talked and we took down notes. He turned his head to look at my notes, which were written with untidy strokes, so he asked me what was my educational attainment, and I said I was a boor and illiterate. He criticized me: 'Boor, no way! In the past you might say you were a boor and be proud of it; nowadays it is nothing of which to be proud. Lenin once said similar words that boors cannot construct socialism.'"

Thereafter, in less than a year, Wan Li took office as vice mayor of Beijing, overseeing urban construction. Every year, he would send for the representatives of model workers like him for conversations. After Zhang Baifa became a cadre, Wan Li said to him: "You now have become an official, but if you have the thinking of an official then you are wrong. Only a bureaucrat will sit in the office, you must act like you did in the past, and go often to the grass-roots levels."

During the Cultural Revolution, Wan Li was toppled, and Li Ruihuan, Zhang Baifa, and Shi Chuanxiang—the three model workers who were much favored by Wan Li—also were toppled. On the eve of 1967, the Beijing Workers Stadium was scheduled for a 10,000-person

meeting to denounce Wan Li, and Li Ruihuan, Zhang Baifa, and Shi Chuanxiang were summoned to the meeting.

Zhang Baifa disclosed that afterward, Wan Li still "proudly" said: In so many meetings for criticisms and denunciations, I am the most honored, for I am accompanied by three worker friends, and this shows that I still have the mass. During the meeting, Li Ruihuan wrote a couplet to denounce Wan Li: "In the past, scent wafted 10,000 miles; at present, stink is left for 10,000 years." Zhang Baifa added a horizontal scroll: "Starting from zero." After the meeting, Wan Li changed Zhang Baifa's scroll into "Staging a comeback," to explicitly encourage them not to become dejected, but to stage a comeback. Thereafter, they really staged a comeback. Unfortunately, one of their brothers, Shi Chuanxiang, who was a dung-collector, passed away during the Cultural Revolution.

According to information, even now, he and Li Ruihuan will go to see Wan Li together; and every New Year's Day they will jointly visit Shi Chuanxiang's family.

"Even the Best National Banquet Cannot Match a Bowl of Hot Noodle Soup. Sometimes, You Must Spend Three Hours at a Banquet, and That Is Not Far From a Slow Suicide."

Zhang Baifa, a mayor at the vice minister level, is naturally listed as a senior cadre, though he is different in many ways from a senior cadre as envisaged by the people. You can perceive this clearly from his body language and from his way of talking. The impression he gives people is: Easy-going, humorous, frank, and natural, like a commoner who is sincere and unrestrained.

When this reporter entered his small and simple office, he asked his secretary to move a chair to a place in front of his desk, and said: "Do not sit on the sofa, sit here, so we are equal." Then, he asked in a straightforward manner: "What do you want to ask? What do you want to talk about?"

Zhang Baifa is capable—no doubt about it. His energy and hard work can be seen from the rapidly developing urban construction in Beijing during the years. In those eye-catching major projects and the busy construction sites where whole stretches of land are under development, one can see his silhouette here and there. In addition, on many public occasions, one often can see Zhang Baifa playing a special role. Being a vice mayor, he can have only a secretary, but because his work is really busy, he has been given one more secretary to help him. Even so, he is still very busy. During the interview, this reporter saw his secretary busily answer a series of phone calls, and a queue of people who came to the office. Zhang Baifa frankly said that in fact, the job he is doing should be done by a younger person because it requires a lot of energy and strength.

Zhang Baifa can "speak with fervor and assurance," and this is known to all. When he starts to speak eloquently,

with the Beijing accent, he can change the extremely serious and official "bureaucratic tone" into an extremely relaxed and humorous "people's saying," which can get at things very precisely, and is particularly acceptable to the common flock. Zhang Baifa dares to "talk freely," and always to let the common flock feel as comfortable as if they had spoken the words in their hearts. Speaking ideas frankly already has become a very peculiar characteristic of this charismatic official. Zhang Baifa also admitted that he likes to speak frankly and make jokes with various people.

The saying goes: It is difficult to serve as an official in the capital. How would Zhang Baifa, who has already served as a people's official for more than a decade under the watchful eyes of the "court," sum up his way of running the government? He said frankly: I have reached this age, I can understand things, and I do not have any ambitions. In short, I do not struggle for dominance and benefits, I am not scared about being honored or insulted, and I do things for the people regardless of praise or criticism. To put it more straightforward: Accusations, complaints, and praises—I listen to them all; good things, difficult things, and stupid things—I do them all.

Zhang Baifa has to attend many social functions, and he has had the experience of going to three banquets in one evening. It really is too much for him. He said: "Even the best national banquet cannot match a bowl of hot noodle soup. Sometimes, you must spend three hours at a banquet, and that is not far from a slow suicide. No matter what kind of banquet I eat, when I return home I must eat some rice or a bowl of noodles." Under the current situation, it is not something new for officials to attend banquets and "sacrifice." Zhang Baifa often eats lunch in his office; he has a pan in his office, and a bowl of "Master Fu Quick Noodles" plus some processing can easily become a gourmet's meal.

Zhang Baifa, who turns 60 this year, said sentimentally when talking about the future: "I know every tree and blade of grass in Beijing, as well as every nook and cranny; I have feelings for them. I have traveled to almost every major city in the world to learn their architectural features, but eventually I still feel nowhere is better than China. I should have retired by now; I will be 63 when I complete this term of office. My goals during this term are: Thoroughly improve the environment along Changan Avenue, thoroughly improve the environment along the second loop, improve the environment along a section of the third loop, and solve problems for the 200,000 households whose average living space is four square meters. The construction of the Beijing International Airport; the Beijing West Passenger Station, which has an investment of 4.2 billion yuan; and the project of channeling natural gas from the northwest to Beijing have to be completed. Regrettably, the project of diverting water from the south to the north cannot be completed during my term of office, for it can only be completed by 2000, but I still will be able to see it. If all these things can be done, I will die content."

Brief Biographies of Ministry Spokesmen
HK1106061194 Beijing ZHONGGUO JIZHE in
Chinese No 15, 15 May 94 pp 15-16

[Report: "Brief Biographies of the Spokesmen of Some Ministries and Commissions of the State Council"]

[Text] [ZHONGGUO JIZHE editor's note] At present, through various news media, the spokesmen of various central departments have been explaining various central policies and answering various questions that the masses are concerned about. Such news briefings are of high authoritativeness. The "spokesmen" are playing more and more important roles. In order to better serve journalistic work, we will introduce the spokesmen of various central departments, and will also listen to their opinions about the news media and journalists.

Following replies to the questionnaires, this issue first introduces six spokesmen. In the future, we will introduce more, and will also discuss the work of the "media spokesmen." [end editor's note]

Ding Junfa, spokesman for the Ministry of Domestic Trade:

Male, born in February 1940, Nan nationality. My native place is Zhangjiagang City of Jiangsu Province. I graduated from Chinese People's University in 1964, then worked and studied in France. I worked with the First Machine-Building Industry Ministry between 1969 and 1988, and successively took the posts of officer of the Foreign Affairs Bureau, secretary in the Minister's Office, responsible person of the General Office, executive deputy president of Hefei Industry University, deputy chief of the Education Bureau, and party committee secretary of the Development Planning Research Institute. Between 1988 and 1993, I worked as director of the Science and Education Department of the Ministry of Materials, director of the Supply Management Department, and director of the General Office. My works included "Where Is the Road" and "Introduction of Socialist Education."

In 1993, I was appointed director of the General Office of the Ministry of Domestic Trade, and became spokesman for the ministry. My main task is to announce to the domestic and overseas press major policies in the realm of commodity circulation, major reform measures and developments in this realm, and major information in the commodity market. I sincerely hope to closely cooperate with the news media in order more effectively to spread information related to commodity circulation. This will play an important role in promoting the healthy development of the market system and in guiding industrial and agricultural production.

Correspondence address: 25 Yuetan Street North, Xicheng District, Beijing. General Office of the Ministry of Domestic Trade. Postal code: 100834.

Miao Fuchun, spokesman for the Ministry of Foreign Trade and Economic Cooperation:

Male, 47, transferred to work with the General Office of the Ministry of Foreign Economic Relations and Trade in February 1992, and being now director of the General Office of the Ministry of Foreign Trade and Economic Cooperation and concurrently media spokesman for the ministry. Before that, I was engaged in economic research work with the Development Research Center of the State Council (between late 1982 and early 1986), and transferred to the Secretariat Bureau of the General Office of the State Council, successively being section chief and deputy bureau chief in charge of the economic work related to agriculture, commerce, and trade.

In more than one year of being spokesman for the ministry, I held regular news briefings (once every six months) to announce the situation of our foreign trade, economic cooperation, and using foreign funds, as well as the situation in and development of bilateral and multilateral economic and trade relations between our country and other countries and regions. I also held irregular news briefings to offer additional and special information on various topics to major news institutions at home. In order to keep abreast of the latest developments and to better play the part, I have to read a large quantity of documents and materials every day.

I hope that the news institutions will give great support to our work and more publicity to the rapid development of our country's foreign trade and foreign economic activities and also the important role of these things in our country's reform and opening. I look forward to closer ties and cooperation with you.

Correspondence address: 2 Changan Boulevard East, Beijing. General Office of the Ministry of Foreign Trade and Economic Cooperation. Postal code: 100731.

Zhang Dengyi, spokesman for the State Science and Technology Commission:

Male, 55, spokesman for the State Science and Technology Commission as of 1991, and secretary general for the commission for over 10 years in charge of coordinating journalistic and propaganda work related to science and technology. I also worked as deputy director of the Policy Department of the commission in 1982, and was director of the same department between 1985 and 1993. So I have profound friendship with the journalists in scientific and technological circles.

Being spokesman for the State Science and Technology Commission, my duties are: Continuously making timely announcements about the guidelines, policies, and major measures of the party and the state; announcing to the press major activities and achievements in the field of science and technology and major developments and trends of science and technology in our country; and ensuring that major scientific and technological news in which the party and the people have interest will be spread in good time by the news

media so that scientific and technological work will win greater support and help from all social circles.

The press is always enthusiastic about giving publicity to our scientific and technological work. I, on behalf of the State Science and Technology Commission, express our profound gratitude to you. I always admire you journalists, who make nothing of hardships in your unceasingly diligent work, and also absorb a lot of nutrition from your work. From your reports, I may obtain information, increase knowledge, and realize self-enhancement. I express my heartfelt thanks to my friends in the press. I also hope that science and technology will hold a greater proportion in journalism and propaganda as a whole and that news reports will be more timely and concise and will also contain more knowledge and fun so that all people in society will become more willing to accept propaganda related to science and technology and the scientific attainment of the whole nation will thus be further enhanced.

Correspondence address: 15 Fuxing Road, Beijing. State Science and Technology Commission. Postal code: 100852.

Xu Jing, spokesman for the Ministry of Agriculture:

Male, 56, began as media spokesman for the Ministry of Agriculture in October 1993, and director of the General Office of the ministry at present. Before that, I worked as party committee secretary, director, and editor-in-chief of NONGMIN RIBAO.

Being media spokesman for the Ministry of Agriculture, my main duty is to arrange the propaganda work of the ministry. This includes the work of giving publicity to the line, principles, and policies related to agricultural and rural work laid down by the party central leadership and the State Council, giving publicity to the major arrangements made by the Ministry of Agriculture, maintaining contact with the major news institutions, and taking charge of the ministry's foreign propaganda.

I hope to develop closer ties with the news media and journalists, to see that the news media give more publicity to agricultural and rural affairs and give more expression to peasant wishes and demands and increase the intensity of propaganda related to the agricultural and rural work, and that our journalists will more frequently go deep into the countryside to cover news and increase reports about new people, things, new experiences in the countryside.

Correspondence address: 11 Nongzhanguan Alley South, Beijing. General Office of the Ministry of Agriculture. Telephone numbers: 5001359 and 5003366—2317. Postal code: 100026.

Wu Xichun, spokesman for the Ministry of Metallurgical Industry:

Male, born in May 1935, deputy director of the Production Department of the Ministry of Metallurgical Industry in 1988 and director of the same department in

1990. I was appointed to be general engineer and media spokesman for the Ministry of Metallurgical Industry in 1992, and became vice minister and continued to be spokesman for the same ministry in 1993. In the ministry, I am responsible for work in the fields of production, quality control, and industrial safety. As spokesman, my main duty is to brief news institutions in the capital on, and answer their questions about, the situation of iron and steel production, conditions of supply and demand with regard to steel products, and other key issues that all social circles are interested in knowing.

I hope that when our journalist comrades write analytic articles about the overall situation of the iron and steel industry, they will also give their manuscripts to the relevant department of the Ministry of Metallurgical Industry in order to prevent things mentioned in their articles from being out of keeping with facts. Generally speaking, the journalist circles in the capital have given great help and support to our work, and I express deep gratitude to them.

Correspondence address: 46 Dongsì Boulevard, Dongcheng District, Beijing. Office of Minister of Metallurgical Industry. Postal code: 100711.

Liu Guanxue, spokesman for the Ministry of Labor:

Male, 54, currently director of the Policies and Regulations Department of the Ministry of Labor. I graduated from the Chinese Language Department of Shandong University. After graduation, I served in the armed forces for 20 years. After being transferred to the civilian work, I worked with the Ministry of Labor and Personnel for a long time. I first worked as deputy director of the State Council's Office for Placement of Demobilized Military Officers, and was then appointed successively to be deputy director and director of the Policies and Regulations Department of the Ministry of Labor. I became spokesman for the ministry in 1990.

My duty as spokesman includes: Holding regular and irregular news briefings to announce developments in reform of the labor system, major reform measures and labor laws and regulations, and other important news.

I hope that all news institutions will give more publicity to labor-related work so that our labor policies will be known to and understood by all people. I also hope that the news media will play an opinion guiding role in reform of the labor system.

Correspondence address: 12 Hepingli Street Central, Beijing. Telephone number: 4213431—267. Postal code: 100716.

Beijing To Stop 'Hazardous Materials' Entering Country

OW1206143294 Beijing XINHUA in English 1420
GMT 12 Jun 94

[Text] Nanjing, June 12 (XINHUA)—Wang Yangzu, deputy director of the State Bureau of Environmental

Protection, said that the Chinese Government will take measures to prevent hazardous waste materials from being shipped from overseas into its territory.

Wang expressed the Chinese Government's stance against importing wastes at a conference in Nanjing, capital of Jiangsu Province, Saturday [11 June] to commend Nanjing port for its discovery and return of harmful chemical wastes to Republic of Korea.

On September 25, 1993, two Chinese corporations and some companies of the Republic of Korea had 1,288 tons of harmful chemical wastes shipped to Nanjing port under the label "other fuel oil".

The matter caught the attention of the State Council and through joint efforts of departments involved, on March 5, the wastes were all returned to the port of origin abroad.

Experts noted that in recent years, the cases of transnational transferring of harmful wastes and rubbish were on the increase.

The State Bureau of Environmental Protection and General Administration of Customs are now closely cooperating to prevent pollutants from abroad from being shipped into China.

China is now formulating a law governing solid waste pollution.

Government, Party 'Resistance' To Unions 'Strong'

HK1406042494 Hong Kong SOUTH CHINA
MORNING POST in English 14 Jun 94 p 5

[By Chan Wai-Fong]

[Text] It was not the lack of legislation but strong resistance from government and party officials that has hindered the development of unions in Hong Kong and Taiwan-funded factories in China's southern provinces, a local unionist said. Apo Leung, researcher at the Trade Union Education Centre in Hong Kong, pointed out that unionisation had met with tremendous difficulties in these factories most of which had only very short-term investment plans in China. "It's not a matter of law. Resistance from government and party authorities [against unions] has been strong because they are afraid that unions will scare off investors," Mr Leung said.

Aside from official resistance, the unionist said that workers' high mobility was also a factor behind the low rate of unionisation in these factories. During the past decade, Hong Kong and Taiwan investors have been pouring into China, with the bulk in the Pearl River Delta region. Rough estimates show that these industries now employ five million to 10 million migrant workers. "It's difficult to organise them. And the bosses hold enormous authority," Mr Leung said.

Not only were these workers unaware of the concept of trade unions and their rights to organise, they were also discriminated against by official unionists, he said. Some workers had no idea what unions were while others believed unions were just welfare and recreational clubs, Mr Leung said, recounting his experience with migrant workers in Shenzhen. But even when individual unions were set up in these factories, he argued, "they are just window dressing... serving to control rather than protect workers' interests". In China, all unions, in state or foreign-funded enterprises, come under the auspices of the All-China Federation of Trade Unions. "It's an administrative measure all the way down, a control mechanism," Mr Leung said.

During the past year, China has called for the unionisation of all foreign-owned enterprises in view of their worsening safety records and the increasing number of labour disputes. Mr Leung suggested that it was a means to dominate and suppress any independent move by workers. He noted that some preliminary groupings, though not well organised, had recently emerged mostly among migrant workers.

The unionist, however, suggested that there existed possibilities for change, even within government sanctioned unions, since some union members were elected from workers, particularly in joint ventures. "And workers in these enterprises are more aggressive, daring and eager to learn [than those from state enterprises]. These are favourable elements," he said. There were also some liberal-minded union federation cadres, Mr Leung said. "They supported the autonomous workers' movement in 1989. And some of them are still active in cadre training and theoretical studies."

Merit Hiring for 'Lower-Ranking' Civil Servants Planned

HK1406045294 Beijing CHINA DAILY in English 14 Jun 94 p 1

[By Cao Min: "Junior Civil Servants To Be Hired on Merit"]

[Text] Lower-ranking civil servants are to be hired based on their ability, the Ministry of Personnel has announced.

The ministry issued regulations yesterday requiring new staff below the level of section chief to be taken on the basis of exam results.

However, the new rule which is immediately enforceable, is not applicable to senior civil servants. They will continue to be appointed by the higher authorities.

The aim of the new selection procedure is to select the most able candidate for the government job, through fairness, equality and competition, said Vice-Minister of Personnel Cheng Lianchang.

The new members of staff will be recruited according to the Provisional Regulations on the Employment of Civil Servants. The selection procedure of civil servants has been under discussion since 1988. The new regulations have been outlined in nine chapters and 39 clauses.

Since 1949, most government staff have been selected from college graduates or retired officers.

But this method of recruitment has failed to meet the needs of the market economy, under which government administration should be handled by professionals on an open basis, said Cheng.

The competitive recruitment system was first tested in 1989 when 144 civil servants were selected from 1,334 applicants on the basis of their exam results. They were employed by the Ministry of Personnel and six other ministries.

Since then, 63 departments from the State Council have recruited 716 State employees from 11,611 applicants in the same way.

And in the past four years, 29 provinces, municipalities and autonomous regions have employed 71,000 government employees from 470,000 people on the basis of exam results.

This method of selection has laid the foundation for the implementation of the new recruitment code and the civil servant system, said Cheng.

And the Ministry of Personnel hopes to have established the new recruitment scheme within the next three years candidates for civil servant posts have to sit a written and oral exam on topics including political science, law, administrative management and the handling of official documents.

Those who are selected will be put on probation for a year.

Applicants must be citizens below 35. Prison inmates who have been deprived of their political rights will not be eligible.

RENMIN RIBAO Views Cultural Development

HK1406061094 Beijing RENMIN RIBAO in Chinese 9 Jun 94 p 5

[By Zheng Hangsheng (6774 2635 3932): "Thoughts on Mode of Current Cultural Development"]

[Text] At present, China's society is going through a period in which the change from a traditional society to a modern society is being accelerated. A prominent expression of a period in which the society is changing from one type to another is that the ideology is lively and various ideas tend to be very complicated. This is more so in a period in which the change from one type of society into another is being accelerated. We can see the ideological tendency of enriching and developing the

original theories, newly emerged ideological tendencies, newly introduced ideological tendencies, the ideological tendency of reviving old ideas under new pretenses, the tendency of mixing up different kinds of ideas in different ways, and so on. Sociology mainly analyzes the ideological and cultural phenomena of the society and their influence on the operation of the society from the angle of the society's mainstream culture, subculture, and counter culture.

The phenomena of the three kinds of culture, the mainstream culture, subculture, and counter culture, exist in all societies. However, different societies handle these three kinds of culture differently. If the relationship between these three kinds of culture is handled properly, the benign operation and coordinated development of the society will be promoted; if it is not properly handled, the society will operate in a neutral manner, its development will be obscured, and it may even fall into malign operation or lopsided development. Therefore, correctly handling the relationship between these three kinds of culture is very important to any society. This is also true of building socialism with Chinese characteristics and is a particularly urgent task in China's society today when the change from one type of society to another is being accelerated.

Mainstream culture is the culture which occupies a ruling or guiding position in a society. The mainstream culture of China's society today is nothing but the socialist culture with Chinese characteristics which takes Marxism as its guidance, absorbs the fine cultural heritage of the Chinese nation and of the world, and serves the people. The main melody of the times in China today comprises socialist theories with Chinese characteristics and the party's basic line, patriotism, collectivism, and socialism; the creative spirit of the masses of the people in reform, opening up, and modernization; and the traditional virtues of the Chinese nation. This mainstream culture and main melody are where the fundamental values of our country lie. They are the sources of the powerful cohesive force of our country's society; the spiritual factors ensuring and promoting the socialist social and economic development, political stability, social progress, and nationality consolidation; and they are also an inspiring force ensuring and promoting the smooth progress of the change from one type of society into the other and the success of modernization. Therefore, how to handle the mainstream culture and the main melody is not a dispensable or minor issue but, to a certain extent, it can be said to be a major issue which has a bearing on the future and destiny of our country. A society which has lost its mainstream culture is like a body without a backbone and is unable to stand a storm. We should soberly understand that the diversification in social life and the complicated ideological tendencies that follow in the period in which the society changes from one type to another provide both an opportunity and a challenge to the development of the mainstream culture and the main melody. Besides, only the victor of the challenge can talk about opportunity.

The diversification in social life in the period in which the society changes from one type into another has also provided conditions and motive force for the rise and diversification of the subculture. The increasing diversification of the subculture is one of the conspicuous characteristics in the period in which the change of the society from one type into another is accelerated and it is also an unavoidable tendency. Generally speaking, the diversification of the subculture is conducive to the development and progress of the society and is something good. It shows that a society is full of vitality and vigor. The participants [cheng dan zhe 2110 2137 5074] in subculture are large numbers of colonies and small colonies formed as a result of differences in nationality, class, stratum, occupation, region, sex, age, and so on. In the period in which the society change from one type into another, because of the emergence of various new occupations and the intensified social division and social mobility, the number of colonies and small colonies also increases rapidly. On the one hand, they belong to major colonies represented by the mainstream culture and are governed by the mainstream culture to varying degrees. On the other hand, they also have culture which expresses their unique concepts, codes of conduct, and interests, that is, the subculture or secondary culture. The overwhelming part of the subculture has the same direction as that of the mainstream culture and is conducive to safeguarding and improving the existing social order. This part of the subculture is not excluded, but encouraged and propped up, by the mainstream culture and is sometimes absorbed as part of the latter. Therefore, generally speaking, if proper guidance is given, diversification of the subculture is something good.

Under what conditions then is the subculture harmful to the mainstream culture? There are mainly two conditions: First, the diversification of the subculture has obscured and even submerged the mainstream culture; second, the diversification of the subculture has induced a malign inflation of the counter culture which is harmful to social progress. Therefore, at present, when the mainstream culture is being challenged and is faced with the increasing diversification of the subculture, it is all the more necessary to emphasize the mainstream culture. This tells us that in the face of diversification, we cannot forget centralization; of course, conversely, in emphasizing centralization, we cannot forget diversification either.

The diversification of social life in a period in which the society is changing from one type to another has, at the same time, left space and room for the generation and unchecked spreading of counter culture. Counter culture is that kind of subculture which negates and deviates from the mainstream culture. It is necessary to carry out specific analysis on the role of counter culture under different historical conditions. In class societies before the socialist society, some counter culture which deviated from and negated the mainstream culture of the reactionary ruling classes might have a certain progressive significance and the counter culture of the advanced

classes often represented a kind of new social culture. Generally speaking, in the socialist society, counter culture is harmful to the stability and development of the socialist society. Counter culture has different forms and the degree of their harmfulness to the society also varies. Some do harm to a part or parts of the society while others do harm to the overall situation. Of course, we cannot overlook either of these. The purpose of negating and deviating from the mainstream culture of counter culture which does harm to the overall situation is to replace the mainstream culture. Challenges to the mainstream culture mainly come from this kind of counter culture.

According to the abovementioned, during a period in which the society is changing from one type to another, particularly when this change is accelerated, the question of what cultural mode should be practiced is clear. This is to say: The mainstream culture must have a clear-cut stand, subculture must be diversified, and counter culture must be brought under control. Sociological studies in light of China's reality have also shown us the same truth. It should be pointed out that over quite a long period, "insufficiencies" in three aspects have evidently existed in handling the relationship between the three kinds of culture, that is, the emphasis on the mainstream culture has been insufficient, the guidance given to the subculture has been insufficient, and the resistance to the counter culture has been insufficient. This has brought about negative influences on various aspects of social life, on the healthy development of reform and opening up, and on the building of spiritual civilization. Therefore, it is very important to increase our understanding of, and to reach a consensus on, the cultural mode mentioned above.

That "the mainstream culture must have a clear-cut stand" means the mainstream culture must emphasize its own existence and express, in a clear-cut manner, what it advocates, permits, restricts, and opposes. It must stand firm before major issues of principle and should not disregard what is wrong and what violates the law. Things which spread the idea of negating party leadership and the socialist system, spread decadent ideas and sentiments, disseminate superstition, and play up pornography and violence are harmful to our cause and to the physical and mental health of the people, particularly children and teenagers, and are divorced from the broad masses of the people and cannot be allowed to spread unchecked. What does it mean by "arming the people with scientific theories, guiding them with correct public opinion, portraying people in a noble spirit, and encouraging the people with fine works"? Viewed from the angle of sociology, this means arming, guiding, portraying, and encouraging people with the mainstream culture and main melody. The reason why the mainstream culture can play such a role is that the overwhelming majority of the members of society look for their own standards for judging what is true, good, and beautiful and what is false, ugly, and evil from the mainstream culture and from various aspects of it, such

as culture for standardization, culture for appreciation of the beautiful, and culture of knowledge. The mainstream culture has an extremely great influence on the overwhelming majority of members of the society in their formation and selection of their fundamental value standards, codes of conduct, and ways of thinking. If the mainstream culture of a society is ambiguous or weakened, the members of the society will not know what course to take and will have a sense of loss and the society will be out of control. What does it mean to avoid the tendency to stress material progress at the expense of cultural and ideological progress? Viewed from the point of sociology, this mainly means stressing material progress at the expense of the mainstream culture and the main melody. Therefore, these are different ways of stressing the mainstream culture and the main melody.

Regarding the necessity for diversified subculture in the mode that "the mainstream culture must have a clear-cut stand, the subculture must be diversified, and the counter culture must be brought under control," I do not think many people have different views and, regarding the necessity of bringing counter culture under control, not too many people have different views either because the harm to the operation of the society from the counter culture in criminal establishments and the pornography industry, and among drug traffickers and drug addicts, is known to all. However, regarding the necessity for the mainstream culture to have a clear-cut stand, the situation is different. Views differ greatly regarding whether or not the mainstream culture is needed, what kind of mainstream is needed, and whether or not the mainstream should have a clear-cut stand. Some people have always, consciously or unconsciously, negated and obscured our socialist mainstream culture in one way or another.

For example, one viewpoint holds that "China's official ideology"—actually meaning the mainstream culture in Chinese society—is undergoing the process of "fading out or weakening" and stresses that the tendency of this process of the "fading out or weakening of ideology" has become the "guiding development direction" since reform and opening started. Obviously, the so-called process of the "fading out or weakening of ideology" is in reality another expression of the "fading out of the mainstream culture or weakening of the mainstream culture." According to this view, the tendency of the "fading out or weakening of ideology" will continue to be the "guiding development direction."

For some time, terms like "weakening" and "fading out of ideology" seem to have been in fashion and popular. Advocated and publicized by some people at home and abroad, it seems as if the process of the "weakening of ideology" and that of the "fading out of ideology" in China has become a self-evident fact and he who does not agree with it is "rigid." As a matter of fact, neither of these conforms with facts or is exact. Some people have very inappropriately classed our party's eradicating past "leftist" mistakes and shattering the fetters of "taking class struggle as the key link" as the "weakening of

ideology" and have classed the process of shifting social life on to the orbit of taking economic construction as the center as the "fading out of ideology." In fact, it is quite understandable for some Western politicians and propagandists to put it that way because they have always held biased and even hostile views on the socialist system, the leadership of the CPC, and the four cardinal principles stipulated in the Constitution. This is determined by the characters of their bourgeois parties and by the stand, viewpoints, and methods of the bourgeoisie. What makes it difficult to understand is that some people who are especially engaged in sociological scientific research have followed their example and said similar things. At the very least they are not sober-headed. As a matter of fact, all countries have their own ideology and there is no country which does not have ideology. It is impossible for all ideology to "fade out" and the essence of the question is what kind of ideology should "fade out." Are countries in which the call for the "fading out of ideology" is the loudest not energetically and wantonly imposing their own ideology on to other countries in the world today? In those countries, the so-called "fading out of ideology" was quite hypocritical at the very beginning and its aim is to swallow up our ideology and to replace our ideology with theirs. The issue is very clear. In our country, the so-called "fading out of ideology" simply does not exist. The only issue which exists is that of emancipating the mind, seeking truth from facts, and eliminating erroneous ideas which are not in conformity with the party's basic line. Evidently, instead of being an issue of the "fading out of ideology" it is precisely an issue of making ideology in China which is guided by Marxism, conforms better with reality, and is more scientific. Likewise, the so-called "weakening of ideology" simply does not exist in China either. The only issue which exists is that of adopting various measures to earnestly strengthen the ideology in China. After various erroneous ideas which do not conform with "one center, two basic points" are eliminated, the ideology in China will become more scientific and will be strengthened. The resolution by the Third Plenary Session of the 14th CPC Central Committee pointed out that we should study Marxism-Leninism-Mao Zedong Thought, strengthen the study on Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, strengthen the study on philosophy and social sciences guided by Marxism, and we should energetically advocate, under the condition of a socialist market economy, upholding a correct view of life and civilized and healthy ways of living and opposing money worship, extreme individualism, decadent life-styles, and so on. Where can one find any traces of the "fading out of ideology" or the "weakening of ideology" here? Therefore, such a viewpoint, which is apparently right but actually wrong, is untenable.

Another viewpoint, for example, which can be called the theory of "dividing the country into three," holds that in China today the official ideology, the Western instrumental [gong ju 1562 0367] rationalism, and the traditional Chinese culture have maintained "a set-up of

dividing the country into three" and stresses that "it is impossible for any of them to unify the whole country." It is very clear that according to this view, the three kinds of culture are on an equal footing, none is primary or secondary and they have divided the entire culture into three. First of all, the mainstream culture, which plays a guiding role universally to our society and infiltrates all parts of it (in this sense, it "unifies the whole country"), can no longer be seen and has disappeared. As a matter of fact, the mainstream culture of our society today, that is, the socialist culture with Chinese characteristics which takes Marxism as its guidance, absorbs the fine cultural heritage of the Chinese nation and the world and serves the people, as mentioned above, is a unity of centralization and diversification: Centralization in ideological guidance—guidance of Marxism; diversification in cultural forms, cultural streams and schools, and academic views—therefore, it is necessary to let a hundred flowers blossom and a hundred schools of thought contend. Here, it is necessary to guard against two tendencies: One is centralization excluding diversification and the other is diversification excluding centralization. Both tendencies are one-sided. The viewpoint of the theory of "dividing the country into three" is a kind of one-sidedness which leads to diversification excluding centralization. Second, according to this view, the correct relationship between these three kinds of culture cannot be seen either. Undoubtedly, the issue of using foreign culture for reference, including Western culture, and the issue of inheriting the Chinese traditional culture are involved. Of course, we should pay attention to reference and inheritance because our mainstream culture should be an open culture enriched with the fruits of human civilization, including the absorption of the most valuable achievements made in the era of capitalism. However, the purpose of paying attention to reference and inheritance is to organically integrate, through reference and inheritance, the cream of the traditional culture of our nation and of foreign culture with the fine traditions and revolutionary spirit formed in the course of revolution and construction carried out by the people under the leadership of our party over a long period of time. On this basis, we should constantly blaze new trails in building and developing the socialist culture with Chinese characteristics.

In short, to develop the socialist market economy in a healthy and coordinated manner; to correctly handle the relationship between reform, development, and stability; to build the spiritual civilization while building the material civilization; and to adhere to the principle of "grasping with both hands" and "grasping firmly with both hands," we must uphold and develop our mainstream culture and main melody, give correct guidance to the diversified subculture, prevent various kinds of counter culture from spreading unchecked, and minimize the harm caused by counter culture. This is exactly an attitude of seeking truth from facts in correctly dealing with social cultural phenomena.

QIUSHI Urges Reliance on Working Class

HK1306122894 Beijing QIUSHI in Chinese No 9, 1 May 94 pp 2-6, 17

[By Wei Jianxing (1414 0256 5887): "It Is Necessary To Wholeheartedly Rely on the Working Class in Reform, Development, and Stability"]

[Text] The 14th CPC National Congress has put forward the goal of reform to build the system of a socialist market economy and the Third Plenary Session of the 14th CPC National Congress has adopted the "Decision by the CPC Central Committee on Some Questions Concerning the Building of the System of a Socialist Market Economy," symbolizing that China's economic structural reform has entered a stage of storming fortifications and in which all-out advance and major breakthroughs are integrated. This year is a crucial year for China to accelerate building the new economic system and carry out comprehensive and in-depth reform. With Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as guidance, the whole country is implementing the spirit of the 14th CPC Congress and its Third Plenary Session in an overall manner and various jobs are vigorously developing closely around the center of the basic principles of the party and the state for the work this year, they are also conscientiously obeying and serving the overall situation of "grasping the opportune moment, carrying out in-depth reform, expanding opening-up, promoting development, and maintaining stability." As the leading class in the state, and the representative of advanced productive forces and relations of production, the working class takes an extremely important position in reform, development, and stability. It is of extremely important significance at present and in the future to rely wholeheartedly on the working class and handle well the relations of reform, development, and stability.

I.

At present, China enjoys economic development, political stability, national unity, and social progress. Various undertakings are full of vitality and the situation is favorable. The international situation as a whole is favorable to China's development. The better the situation, the more we should grasp the opportune moment, make good use of it, keep sober-minded, and fully see the challenges we face and the existing problems. We should be prepared for danger in times of peace, work more conscientiously, strive to develop ourselves, and promote the overall development of the building of two civilizations. More than 10 years of practice in China's reform and construction have told us that reform is the motive force, development is the purpose, and stability is the guarantee. We must rely wholeheartedly on the working class to handle well the relations between reform, development, and stability, enabling them to promote each other and develop in a coordinated way. If we give up relying on the working class, we cannot talk about achieving anything.

Reform is the cause of the working class and the masses of the people themselves. The Chinese working class has displayed extremely great political enthusiasm in reform and has always stood in the forefront of reform, the road to a powerful nation, with a high sense of responsibility of being the master of its own affairs. It has the cardinal principles in mind and takes the overall situation into account, actively supporting the introduction of various reform measures. It takes part in and promotes various reforms of its own accord and the brilliant achievements it has made has gone down in history forever. According to an investigation by the All-China Federation of Trade Unions on the situation regarding the working class contingent, the broad masses of staff and workers have made fine appraisals of the achievements in reform for more than 10 years in China, positively supporting and favoring further in-depth reform and expansion of opening-up. When their interests become involved in some reforms, the broad masses of staff and workers say that as long as it is favorable to the overall situation of reforms, and as long as they can bear it economically, they will support the reforms resolutely. The correct understanding and treatment of various new things and new issues which emerge in reform displayed by the broad masses of staff and workers, the spirit of being the master of one's own affairs and of daring to meet difficulties head-on, and the style and features of the times of being bold in dedication and creation, have effectively ensured the smooth progress of reform. The working class has proved by its own practical actions that it is the master and the subject of reform and that it is worthy of its powerful motivational force. Today, as we are carrying out in-depth reform, it is an extremely important task for the whole party and the whole society to bring into better play this powerful motivational force.

The working class is the main force that promotes China's economic development. Comrade Deng Xiaoping has pointed out: Grasp the opportune moment, develop ourselves, and the crux is to develop the economy. Development is a tough argument, is the overall situation, and the crux. During various periods of the Chinese revolution and construction, the working class have made huge contributions to national emancipation and to making China prosperous and strong. Under the new situation of reform and opening-up and modernization, the working class has again performed immortal deeds promoting the building of the socialist material civilization and spiritual civilization. Labor creation by staff and workers throughout China accounts for about 70 percent of the GNP and over 90 percent of state revenue. Facing the market and basing themselves on their own jobs, the broad masses of staff and workers have made remarkable achievements in developing new products, raising product quality, concentrating their efforts on constant improvement of labor productivity and economic performance, and pushing to the market sphere the socialist labor emulation drive, rationalization proposals, invention and creation, technological

innovation, technological coordination, and other activities. The huge achievements made in China's economic development are an embodiment of the industriousness, wisdom, and sweat of the working class whose main force role in the socialist modernization program has been fully displayed. The working class uses its own advanced ideas to influence and nurture the whole society and promotes the building of the socialist spiritual civilization. Its extensive impact and leading force is self-evident. To maintain a sustained, rapid, and healthy development of the national economy all the more calls for the protection, guidance, and mobilization of the main and leading force.

The working class is the mainstay in safeguarding social stability. The importance of social political stability lies in the stability of the working class contingent, which is the premise and basis of social stability. The working class in China greatly treasures the political situation of stability and unity. Whether in the face of complex social contradictions, or under a changeable international situation, it always rallies closely round the party Central Committee. It not only maintains the stability of its contingent but also makes huge efforts to maintain social political stability, thus vigorously safeguarding social political stability. In-depth reform, expansion of opening-up, and promotion of development must be carried out in a stable social political environment. "The working class can be relied upon." Consolidate and develop the political situation of stability and unity by relying on the working class, try to accomplish promotion of reform and development amidst stability and ensure long-term social stability by reform and development. These are the requirements of the times and also the historical responsibilities of the working class.

The nature of our party and the state, and the historical task of reform, development, and stability, determine that we must at all times and under any circumstances uphold, unswervingly and with a clear-cut stand, the party's fundamental guiding principle of relying wholeheartedly on the working class. The nature of a country depends on what position the people of that country take and what kind of relationship exists between man and man. Our party is the vanguard of the working class and the working class is the class basis of our party; ours is a socialist country of a people's democratic dictatorship, led by the working class and with worker-peasant alliance as the basis, and the working class is the leading class of the state. Only under the party's leadership can the working class achieve its historical mission and only by closely relying on the working class can the party consolidate and strengthen its leading position and lead the people of the whole country in striving to achieve the great cause of building socialism with Chinese characteristics. The difficulty in developing a socialist market economy lies in how to link and integrate closely the market economy with the basic system of socialism. This is an unprecedented great cause, without existing experience, which can be utilized. It is required to be daring

in exploration, bold in practice, and constant in innovation under the leadership of the party Central Committee by relying wholeheartedly on the working class and the masses of the people. In this historical process, the inevitable trend is that socialist public ownership occupies a leading position, with joint development of diversified economic sectors. To each, according to his labor, will be the major form and multiple forms of distribution to co-exist over a long period of time with some areas; some people will be allowed to become rich first and finally achieve common prosperity. The state controls the power to carry out effective macroeconomic regulation and control over the national economy as a whole. Therefore, in the course of developing a socialist market economy, China's socialist system remains unchanged, the nature of the state remains unchanged, the working class being the leading class of the state remains unchanged, the working class being the class basis of the party remains unchanged, and the working class, as the master of its own affairs, remains unchanged. The subjects of a socialist market economy are enterprises and the subjects of enterprises are staff and workers. Market is the external motive force for enterprise development and the initiatives, wisdom, and creativity of staff and workers are sources of enterprise vitality. That is to say, the extent to which the initiatives of the working class are given play directly affects the success or failure of reform and opening-up and the extent to which productive forces are emancipated and developed, having a bearing on the fate of a socialist market economy. Therefore, to develop a socialist market economy, we must attach great importance to relying on the masses of staff and workers and fully mobilize their initiatives, with which to push forward reform, promote development, and safeguard stability. This is both the requirement by the overall situation of reform, development, and stability, as well as the essence and superiority of the socialist system.

II.

In the overall situation of reform, development, and stability, how to rely wholeheartedly on the working class is a question which is highly theoretical and practical, with a strong policy nature. It is also a hot issue about which the broad masses of staff and workers are concerned. In this respect, we have many laws, legal regulations, and policies to serve as a basis, and also many successful practices and experiences which we may use for reference and study. At present, we should lay special emphasis on the issues in the following aspects:

First, we must start by grasping understanding, and further heighten understanding, of the importance of relying wholeheartedly on the working class. Whom to rely on is a matter of the first importance for the revolution and construction and is also a matter of the first importance for reform, development, and stability. Not everyone understands this clearly. Needless to say, with the development of the situation, many new circumstances and new problems have appeared which merit our attention concerning whom to rely on to carry

out in-depth reform, promote development, and maintain stability. Therefore, on this matter, we must first overcome the problem of understanding, especially the problem of understanding on the part of the party and government leading cadres. We should understand the extreme importance of relying wholeheartedly on the working class from the height of safeguarding the nature of the party, safeguarding China's state system and government system, and implementing the party's fundamental guiding principles. It is necessary to propagate extensively, through multiple forms and channels, the advanced ideas of the working class, its fine quality, and the great achievements and huge contributions it has made, and strive to build up in the whole society a powerful public opinion and strong atmosphere of respecting and relying on the working class.

In view of the fact that many comrades among leading cadres have taken up new leading posts, and that they are not adequately familiar with the party's mass work and mass line, it is required that party organizations at various levels carry out re-education on relying on the working class and the mass line among party cadres, especially among young leading cadres. In party schools, administrative cadre schools, and in the teaching of cadre training, we should add courses about the working class, the workers' movement, and the party's mass work according to the requirements by the CPC Central Committee "Circular on Strengthening and Improving Party Leadership Over the Work of Trade Unions, the Communist Youth League, and the Women's Federation," to lay a favorable ideological foundation for ensuring the implementation of this fundamental guiding principle.

Second, we must fully embody and safeguard the status of staff and workers of being the masters of their own affairs in labor legislation and reform measures. The party's fundamental guiding principle of relying wholeheartedly on the working class must be fully embodied in labor legislation, economic laws and regulations, and reform measures. Otherwise, relying on the working class would be an empty phrase. China's labor laws and regulations are unsound and are far from meeting the requirements for regulating the ever complicated labor relations in the transformation to a socialist market economy. We should work out as soon as possible the "Labor Law," "Social Insurance Law," "Labor Protection Law," "Labor Contract Law," "Work Hours Law," and a number of other important laws and regulation. Before the introduction of these important laws and regulation, policies, and measures involving the vital interests of staff and workers, we should fully listen to the opinions and proposals of the broad masses of staff and workers through various channels and forms, so that laws and regulations, policies, and measures are built on a profound mass basis. It is necessary to ensure, through labor regulations and reform measures, that the broad masses of staff and workers constantly raise, with economic development, their material and cultural levels and living standards, constantly improve labor conditions

and working environments, constantly create opportunities for occupational training, enter decisionmaking bodies more effectively, and participate in the management of the affairs of the state, and also social and economic affairs. At present, it is especially necessary to strengthen mass supervision over law enforcement and to build a mechanism for effective mass supervision. Party and government departments at various levels should accept of their own accord the supervision by staff and workers and the broad masses of the people, thus placing various jobs under supervision by the masses. Leading cadres should constantly go deep among the masses, go down to the grass-roots units, care for the suffering of staff and workers, listen to the voice of the masses, and take the "first signal" from the masses of staff and workers as a major basis for decisionmaking. In various reforms involving the vital interests of staff and workers, it is necessary to uphold the principles that decisionmaking is scientific and democratic, that staff and workers as a whole are benefited, that the overall bearing capacity of staff and workers should be taken into full account, and that the basic living standards of staff and workers is ensured. This is both the requirement that "reform is for the people" and also the specific embodiment of relying wholeheartedly on the working class.

Third, we must rely on staff and workers to transform state-owned enterprise operational mechanisms and promote the building of a modern enterprise system, so that the status and the right of staff and workers to be the masters of their own affairs will be conscientiously implemented in enterprises. The transformation of state-owned enterprise operational mechanisms, in particular the building of a modern enterprise system, is an innovation of the socialist enterprise system and is an inevitable requirement for big socialized production and the development of a socialist market economy. One of the important features of a modern enterprise system with Chinese characteristics is to build a scientific enterprise leadership system and organizational and management system. State-owned enterprise mechanism transformation and system building did not, and will not, change the status of staff and workers of being the masters of their own affairs in enterprises. When staff and workers lose their status of being the masters of their own affairs in enterprises, enterprises lose their socialist nature. To uphold and improve the democratic management system with staff and workers representative conferences as the basic form, and to constantly explore new forms of realizing staff and workers democratic management and democratic supervision, are important contents of relying on staff and workers for mechanism transformation and system building and are the essential property of socialist enterprises.

This year, departments concerned in the State Council will organize a number of large and medium state-owned enterprises to make experiments on building a modern enterprise system according to the requirements of the "Corporations Law" to explore the effective ways of

integrating public ownership with market economy to further emancipate and develop the productive forces. The Third Plenary Session of the 14th CPC Congress clearly pointed out: "Trade unions and staff and workers representative conferences should organize staff and workers to take part in enterprise democratic management and safeguard their legitimate rights and interests. Therefore, state-owned and collective enterprises, whether they practise a contract-based system or a shareholding system, or enterprise groups carrying out corporation transformation and development, must carry out staff and workers democratic management. According to the stipulations in the 'Corporations Law,' limited liability companies set up by state-owned sole proprietorship enterprises, by more than two state-owned enterprises, or by more than two state-owned investment subjects, carry out democratic management through staff and workers representative conferences and other forms according to the Constitution and regulations in relevant laws." Regarding the functions and powers of staff and workers representative conferences, the regulations of the "Enterprises Law" should be carried out in principle and we should study and solve new problems in adapting to the requirements of the corporation system.

When boards of directors, supervisory boards, and shareholders general meetings are set up in these types of enterprises, a certain number of staff and workers representatives should be elected by the whole staff and workers or by staff and workers representative conferences of enterprises, to take part in these bodies. In public ownership and nonpublic ownership enterprises, especially in foreign business-invested enterprises and private enterprises, it is necessary to set up a system of consultations and negotiations and of signing collective contracts. Trade unions should carry out on behalf of staff and workers and enterprises equal consultations and negotiations on labor remuneration, working hours, holidays and vacations, labor protection, insurance welfare, women's special protection, and other labor rights and interests, and sign collective contracts which standardize the relations of both parties, promote cooperation between both parties, and build up stable and coordinated labor relations, thus implementing the principle of relying on the working class in enterprises.

Fourth, we should conscientiously ensure and safeguard the legitimate rights and interests of staff and workers and do practical jobs and good things for them. While continuing to safeguard the political and democratic rights of staff and workers, it is a major issue that cannot be neglected to attach importance to safeguarding the material interests and the right to work of staff and workers. This has a direct function and impact on getting hold of the overall situation of reform, development, and stability. The "Decision" by the Third Plenary Session of the 14th CPC Congress pointed out that it was necessary to respect the pioneering spirit of the masses and safeguard their legitimate rights and interests. The task of reform and development this year is extremely heavy and many reform measures of great strength and

involving a wide range of subjects have been, or will be, introduced. It is really not an easy job to maintain a sustained, rapid, and healthy development of the national economy and to maintain social stability in the course of speeding up transformation of the system. Thus, in promoting various reforms, developing various jobs, and handling various contradiction relations, we are required to pay much attention to understanding the ideological sentiments of staff and workers and help them solve practical problems of our own accord while conscientiously safeguarding their rights and interests. At present, there are some problems with the bearing capacity of staff in the various localities in the course of turning losses into increased profits for loss-making enterprises, of placement of enterprise surplus staff and workers and bankrupt enterprise staff and workers, occupational recommendations, relief and basic livelihood guarantees for staff and workers who are badly off, social insurance system, housing system, and pricing system, as well as problems that have appeared in delayed payment of wages and pensions for staff and workers in some organizations, government departments concerned and enterprises should solve the above problems properly and strictly in accordance with relevant state regulations. We should give priority to efficiency and consideration to fair play, reform the distribution system, and accomplish the combination of responsibility, power, and interests, the unity of state, collective, and individual interests, and the linkage of the labor of staff and workers with their labor results, thereby truly embodying the principle of to each according to his labor. We should quicken the pace of reform of the social insurance system and build a mechanism to safeguard the legitimate rights and interest of staff and workers. We should work out standards of guarantees for staff and workers basic livelihoods and build the lowest wage system and a mechanism for normal wage growth.

Fifth, to rely wholeheartedly on the working class, we must bring the role of trade union organizations into full play. As a mass organization for the working class, trade unions are bridges and ties of the party which link with the masses of staff and workers. They are also social pillars of state powers. With the development of a socialist market economy, the pattern of interests of the three sides; that is, the state, the collective, and individuals, will gradually take shape. Trade unions are the outcome of labor relations and economic contradictions. Their status as representatives safeguarding the interests of staff and workers has become more obvious and their role of democratic channels and social regulation has become more outstanding. They will shoulder more arduous tasks and play a more important role. Therefore, party committees at various levels should strengthen and improve their leadership over trade union work according to the spirit of the central authorities, place it in an important position on the agenda, attach importance to and strengthen the building of trade union leading bodies, and help them further open up the channels for participating in the government and discussing political affairs. In the course of experimenting

on the reform of building a modern enterprise system, government departments concerned should, according to laws and regulation and the spirit of directives by the central authorities, absorb trade unions into taking part in relevant experimental work in the whole process and in all directions, including participation in working bodies, drafting documents, and making experiments and carrying out follow-up investigations together. Government and trade unions should strengthen communications and contacts through informal discussions and joint meetings. It is necessary to clarify the status and position of trade unions in representing the interests of staff and workers in the face of the government and enterprises, support them in safeguarding the legitimate rights and interests of staff and workers according to law, regulate labor relations, and to organize staff and workers to develop activities. It is necessary to promote various localities to work out detailed rules and regulations for the implementation of the "Trade Unions law" and further clarify the rights and duties of trade unions. It is necessary to support and help trade union organizations to strengthen reform and building themselves, carry out positive explorations in the organizational system, operational mechanism, and methods of activities, accelerate the democratization process and carrying out the mass line, and bring the role of trade union organizations into full play.

III.

To develop a socialist market economy is the great creative cause of the Chinese working class and the people of various nationalities in China. All staff and workers in China should fully understand the historical importance of the task they shoulder; they should continue to develop the glorious traditions of the working class in the overall situation of reform, development, and stability; and they should further give play to the spirit of being the masters of their own affairs and the role of the main force; and make new and greater contributions.

—The working class should continue to develop the spirit of building an enterprise through arduous effort, regard emancipating and developing the productive forces as its own responsibility, and make greater efforts to speed up economic development. With a high sense of responsibility of being the master of its own affairs, it should bring its enthusiasm, initiatives, and creativity into full play; base itself on its own jobs; learn and catch up with the advanced; and strive to make first-rate achievements. It is necessary to try to improve product quality, provide best quality services, heighten labor productivity and economic performance, promote loss-making enterprises to turn losses into increased profits, and perform meritorious deeds for the national economy to enter a new stage by developing on an extensive basis a labor emulation drive, rationalization proposals, technological innovation, technological coordination, and invention and creation activities.

—The working class should actively support reform, conscientiously stand in its forefront, and constantly push forward the socialist cause of reform. The reform we are carrying out is the most brilliant cause in the history of mankind. The working class should perform its glorious duty as the master and the subject of reform, actively plunge itself into it, and suggest ways and means for its smooth progress; it should support the party and the government in introducing a number of important reform policies and measures, and take the initiative in participating in various reform practices; and it should correctly understand the gain and loss of interests in reform, handle well the relations between personal and collective interests, partial and overall interests, and immediate and long-term interests. It should soberly understand that the deeper the economic structural reform, the more the interest pattern is readjusted and the more expanded the role of market; the more we working class should stress ideals, discipline, unity, and the overall situation, the more we should develop the fine tradition of the working class and the spirit of "people in the same boat helping each other" and of taking the situation as a whole into consideration; and the more we should uphold the road of common development and common prosperity.

—The working class should be the model of stability, and give full play to its role in safeguarding social political stability. For a country like China with a large population and a relatively undeveloped economy, nothing can be done without a stable political situation. The working class should establish the idea of the legal system, treasure and safeguard the political situation of stability and unity, and consolidate and strengthen the unity and unification of the working class contingent. It is necessary further to make clear that we should rely wholeheartedly on the working class, on the working class as a whole, relying mainly on industrial workers, intellectuals, and administrators. Their fundamental interests coincide. Industrial workers are required to have culture, knowledge, and technique; intellectuals are required to have practical experiences and to be integrated with workers; administrators are required to have culture, knowledge, and technique, required to have practical experiences, and also required to have management ability and a sense of the masses. Therefore, industrial workers, intellectuals, and administrators should strengthen unity and coordination among themselves and should especially handle well the relations between the leaders and those who are led. It is necessary to resolutely oppose various activities of splitting the working class contingent, to actively participate in comprehensive control of social security, and to resolutely struggle against various illegal and criminal activities and negative and corrupt phenomena.

—The working class should further strengthen the building of spiritual civilization and strive to improve the quality of its own. The development of a socialist

market economy puts forward higher requirements on the overall quality of staff and workers. We must uphold the principle of dual tactics and both tactics should be tough. The broad masses of staff and workers should seriously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, study the knowledge of the market economy and scientific and cultural knowledge, strengthen education on social morality and occupational morality, constantly improve the cultural and technological quality and ideological and political quality of staff and workers contingent, and enhance their competitive power. They should actively initiate upholding a correct world outlook and a civilized and healthy way of life in the course of developing a socialist market economy, influence and bring along the whole society by the advanced ideas and model actions of the working class, push forward the building of the socialist spiritual civilization, and promote overall social progress.

Military

Foreign Ministry Statement on Nuclear Test Reported

OW1106184094 Beijing China Radio International in English to Western North America 0400 GMT 10 Jun 94

[From the "World News" program]

[Text] A Chinese Foreign Ministry statement says China conducted an underground nuclear test on Friday [10 June].

The statement says China believes in a complete prohibition and elimination of nuclear weapons, as well as a comprehensive nuclear test ban.

The Foreign Ministry says China has exercised great restraint in conducting nuclear tests over the years.

The statement says China fully respects and understands the position and concern of many non-nuclear weapon states on the question of nuclear testing.

Right now, China is actively participating in negotiations on a comprehensive nuclear test ban treaty.

The Foreign Ministry statement says China calls on other nuclear weapon states to stop the policy of nuclear deterrence and commit themselves to the prohibition and destruction of nuclear weapons.

Xinjiang Army Commissar Addresses Patriotism Rally

OW1206045094 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 10 Jun 94

[From the "Xinjiang News" program]

[Text] [video shows shots of Pan Zhaomin speaking from a prepared script to several hundred people in military uniform at an outdoor area] The Lanzhou Military Region [MR] called a mobilization meeting on patriotic education at a Xinjiang Military District [MD] engineering corps this morning.

Pan Zhaomin, deputy political commissar of the Lanzhou MR and political commissar of the Xinjiang MD, spoke at the meeting. He said: We should thoroughly recognize patriotism's special significance to army building. The ideas of patriotism, collectivism, and socialism, as well as the spirit of dedication to national defense and of self-improvement and self-reliance should take root among cadres and fighters.

He said: We should further foster patriotism in the new historical era, which calls for adhering to the party's basic line to accelerate the pace of reform and opening up; establish a socialist market economy; and build a strong, prosperous, democratic, civilized, and modern socialist power. The great cause of building socialism with Chinese characteristics that we have pursued is one of combining socialism with patriotism. Upholding patriotism to safeguard the Chinese nation's independence and dignity is the important foundation of contemporary socialism, as well as the source of strength for all Chinese people to struggle in unity.

He said: The purpose of patriotic education is to foster the sentiments for frontier, barracks, and one's own work. We should strive to perform meritorious services at our own posts. We should be clearly aware that devoting ourselves to our own work, doing a good job at our own posts, and endeavoring to make contributions through our work are concrete manifestations of patriotism. We should translate the idea of serving the country with concrete actions.

He said: During several decades of defending and building up the frontier, a large number of models and heroes working assiduously and sacrificing selflessly for the motherland have come to the fore. In light of the realities in the military region and district, we should educate cadres and fighters with the advanced deeds of both national and regional heroes and models.

Foreign Military Attaches Visit Southwest China

OW1306142494 Beijing XINHUA in English 1326 GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Beijing-based foreign military attaches and their wives paid visits to southwest China June 3-13 at the invitation of the Chinese Defense Ministry.

Accompanied by Fu Jiaping, director of the Foreign Affairs Bureau of the Chinese Defense Ministry, and his wife, military attaches visited troops and universities of the Chinese People's Liberation Army, some industrial and agricultural projects, and scenic spots.

Tibet Military Region Commemorates Transport Squad

OW1206042894 Lhasa Tibet Television Network in Mandarin 1200 GMT 11 Jun 94

[From the "Regional News Hookup" program]

[Excerpt] A grand ceremony to mark the 30th anniversary of the naming of the "steel-like transport squad on the Tibet Plateau" was held 11 June at the hall of a vehicle regiment garrisoned in Tibet. [video opens with long shots of a meeting hall with over 1,000 uniformed soldiers who sit facing some 10 senior Tibet military officers in uniform seated on the rostrum]

Attending the commemoration meeting were Wang Shunhe, deputy commander of the Tibet Military District [new position]; (Chen Songmao), political commissar of the Tibet Military District's logistics department; and more than 1,000 officers and men of the regiment. [video shows medium shots of several unidentified military officers on the rostrum reading from some papers while successively addressing the attendees]

On 11 June 1964, the National Defense Ministry issued an order, conferring the glorious title, "steel-like transport squad on the Tibet Plateau," to Squad 502 under a vehicle regiment garrisoned in Tibet. [passage omitted]

Economic & Agricultural

Bo Yibo Calls For Improving Economic Efficiency

OW1306123094 Beijing XINHUA Domestic Service in Chinese 2135 GMT 11 Jun 94

[Text] Beijing, 12 Jun (XINHUA)—Bo Yibo, honorary chairman for the "In-Depth Travel for Economic Efficiency in China" activity, wrote a letter to the "In-Depth Travel for Economic Efficiency in China" Activity Guidance Committee and the "In-Depth Travel for Economic Efficiency in China" Activity Publicizing Committee on 11 June, in which he called on them to pay attention to investigations and studies, and publicize the role of improved economic efficiency in promoting and ensuring stability. The text of the letter reads:

To the Activity Guidance Committee and the Activity Publicizing Committee of the "In-Depth Travel for Economic Efficiency in China":

Recently, you have launched an all-out effort to publicize the importance of raising economic efficiency, doing a great deal of work in spreading awareness of efficiency, and in fostering the efficiency concept. Your activities have elicited a strong reaction from society. I would like to congratulate and thank you!

Stability is a prerequisite for reform and development. Raising efficiency is the foundation for maintaining stability. Only by genuinely raising efficiency can we avoid serious unevenness in our economic development and can we ensure a stress-free environment for reform;

only by genuinely raising efficiency can we truly upgrade our national strength, truly improve the people's living standards, and truly ensure social stability. I hope the comrades responsible for "in-dept travel for economic efficiency in China" activities will conduct further investigations, studies, and propaganda to determine the inherent relationship among deepening reform, raising efficiency, and maintaining stability. In this way, you will be able to render better service to reform, development, and stability.

I hope you will achieve still greater achievements in your activities!

[Signed] Bo Yibo

[Dated] 11 June 1994

Li Tieying Discusses Economic Reform

AU1306090294 Bratislava HOSPODARSKE NOVINY
in Slovak 9 Jun 94 pp 1,4

[Interview with Li Tieying, member of the State Council, minister-chairman of the State Commission for Restructuring the Economy, and member of the Communist Party Central Committee Politburo, by Peter Kasalovsky and Jaroslav Brabec in Beijing on 20 May: "China Is Making Progress, But It Is Not Competing"]

[Text] During the recent research visit by HOSPODARSKE NOVINY editors to the People's Republic of China, Chief Editor Dr. Peter Kasalovsky was received by Li Tieying, a member of the PRC State Council, minister-chairman of the State Commission for Restructuring the Economy, and member of the PRC Communist Party Central Committee Politburo. On this occasion, Li Tieying granted our daily an interview on the issues affecting China's economic development, its economic reforms, and cooperation with Central and Eastern Europe.

[HOSPODARSKE NOVINY] The 21st century is considered to be the century of China. If the trends do not change, during its first quarter, China should—according to the forecasts—achieve overall a gross domestic product of the level of the United States. Do you think that this is a realistic forecast?

[Li] These observations, being made in the West, seem exaggerated to us. In any case, China is not governed by any competition. We simply want to advance the economic and social level of the Chinese people, to eradicate the centuries-long backwardness of the country, and to improve its standard of living. Now, for example, we have set ourselves the task of eliminating poverty from our country by the end of the century. Some 80 million people—mostly in the mountainous regions and the areas severely affected by drought—still live in poverty in our country.

[HOSPODARSKE NOVINY] That is a modest reply. Some powers give the impression that they would like to

slow down or at least check China's economic boom by means of secondary issues and internal instability. Do you not think that this stems from their fear of Chinese competition in the economic and political spheres?

[Li] China is a large country. It plays an important role in the world. It is necessary to regard China's economic progression and social progress as a major contribution to the world's peaceful development. From the historical point of view, China has always been a peace-loving country. An economically strong China will also remain a guarantee of peace in the world. It will never strive for hegemony. It will never interfere in the internal affairs of other countries. Naturally, it will oppose activities that interfere in Chinese internal affairs. Owing to their long-term efforts from the time of the opium wars in the middle of the last century, the Chinese people finally rose up, founded a republic, and are scoring successes. The common goal of the 1,200 million Chinese is to develop multilaterally the Chinese nation and to work for the country's prosperity in order to improve its standard of living and culture. It is impossible to frustrate this goal.

[HOSPODARSKE NOVINY] Internal stability is a condition for reform policy and economic development. In recent years, however, China has given the impression that it must struggle again and again for economic balance and social stability. Do you think that the reason for this is the headlong development, or rather the tedious transition from a planned to a market economy?

[Li] Our reform concerns the essence of the system, the whole process of management. Therefore, we consider this reform to be a second revolution. As far as its dimensions are concerned, it reaches into the people's overall economic activity and living conditions. We think that the reform steps have to be implemented under the conditions of internal and social stability. It is difficult to develop the economy in an uneasy political atmosphere and it is impossible to reform its management. It is obvious that one should not build a skyscraper on tectonically very active ground. It is also not possible to reform the management of the economic system in an uneasy society. We are concentrating all our efforts on economic construction. This is the center of our endeavor's gravity. Now and for the future—as long as nothing fundamental that could divert us from this task occurs in the world.

[HOSPODARSKE NOVINY] Do you view the progress of the Chinese economy, which can be expressed in automobile terminology as "stop and go," as a consequence of making rapid progress or of the slow course of reform? The supporters of shock reform consider the main problems of the Chinese economy to be the aftermath of slow reform changes.

[Li] The economy develops in cycles in all countries. A cycle is a typical form of economic development in capitalist countries. We also had an economic cycle in the past under rigid planned management. I do not mean

to infer that the economic problems could not also be caused by our mistakes. Moreover, in the transition from a planned to a market economy, many phenomena that we are still not very familiar with are cropping up. The issue of the cycle in the construction of a social market economy is still the subject of research. A major boom has occurred in our economy after 15 years of reform. Now we have the fastest pace of development in China's history.

Japan, and later other Asian countries, experienced a similar boom and problems after World War II. In our country, reform has been responsible for the rapid growth. The rapid progress in recent years, however, has also contributed to overheating the economy. Some factors—such as energy and raw materials or communications and the transportation infrastructure—cannot keep pace with this economic temperature.

[HOSPODARSKE NOVINY] Economic progress, however, was also responsible for the disparate development of the Chinese regions, for the unequal partnership between the eastern provinces and the central and western provinces of China. The self-confidence of the rich regions has increased, and this has provoked a limited willingness along the seaboard to return to the rest of China the resources that it put into the special economic zones and the whole of the east. This is the logic of a market economy that reproduces wealth, but is reluctant to give it up. Will administrative measures and the attractiveness of the raw-material resources in the poorer provinces be enough to resolve the problem, or will it be necessary to prepare for more serious political and migration problems?

[Li] The disparate development between the west and east of China is indeed a serious issue. It has come to the forefront of the attention of China's leading bodies. For example, this year we have introduced new reform measures in the spheres of taxation and investment preferences for the poorer regions. We want to extend wealth from the east to the west of our country. More recently, the central government has consolidated 60 percent of all tax receipts. We are beginning to make more significant investments in energy, the transportation network, and the raw material base in Central and Western China where great natural wealth is to be found. We are trying to increase cooperation between the rich eastern and less developed western provinces and we are supporting the tendency of domestic and foreign companies to invest more in the west. We are striving to ensure that this is advantageous for them.

[HOSPODARSKE NOVINY] Practice indicates that this is a complex process.

[Li] It will take a long time to adjust this difference, perhaps whole decades, because the eastern provinces are also not standing still.

[HOSPODARSKE NOVINY] Moreover, the wealthy provinces are not willing to give up their dominant economic position.

[Li] We can make use of the state enterprises that still predominate in our industry for this task.

[HOSPODARSKE NOVINY] They also have their problems. At the moment, China suffers from relatively low unemployment; compared with our small country with its 15-percent unemployment rate, for example. In the process of transferring to a market economy, how do you intend to resolve in China, with its huge population potential, the problem of mass unemployment that a market economy inevitably brings?

[Li] We already have this problem. We are combating it by creating a labor market and a social security system. The new economic system must have mechanisms for changes in the labor force and coping with unemployment. In the cities, we are developing, on a broad scale, individual and private sectors that create new jobs. In the country, we are expanding in particular the tertiary and secondary sectors—the so-called rural industry. Rural industry already has 25 million enterprises. It catches the labor force let go in agriculture. Some 110 million former farmers have already found work this way. A further 6 million were added to this number last year. Another 160-200 million farmers will find work before the end of the century in the services and rural industry spheres. Chinese experiences in this regard are important for all developing states, because they reveal how to industrialize the country and, at the same time, improve agriculture. Our task is to develop rural industry and to establish thousands and thousands of little towns and communities so that the laid-off labor force from the countryside does not engulf the large cities. In China we are now modernizing the villages and industrializing agriculture.

[HOSPODARSKE NOVINY] The political changes in Central and Eastern Europe have greatly reduced the level of economic and political relations between these countries and China. In your view, what are the prospects for these relations in the near and more distant future?

[Li] It should not be a problem to increase the level of relations. Your pen may also help to build a new bridge. There is traditional friendship between China and the former Soviet Union and the Eastern European countries. At the start of our republic's development, both the former Soviet Union and the Eastern European countries—including Czechoslovakia—gave us a great deal of assistance, including major investment deliveries and training experts. In the late 1950's, I myself graduated from the Charles University Faculty of Mathematics and Physics in Prague. The Chinese people are grateful to you for this support. They harbor profound emotional ties toward the former socialist countries and will never forget their help.

The Chinese people and the Chinese Government fully respect the changes that have occurred in the former USSR and Eastern Europe. The Slovak people have a right to choose their own political system and way of life.

As old friends, we are monitoring the developments in Slovakia with great attention and interest. We would be happy to see economic growth and stability in your country and your people's prosperity. There is a great deal of scope for cooperation. We can complement each other economically. We have traditional ties of friendship at our disposal. There are no historical disputes between us. I think, therefore, that it is not only possible, but also essential to boost cooperation between China and your part of the world.

However, it is impossible to overlook the fact that major changes have occurred in our economic system. These make closer cooperation possible by the means normal throughout the world. The recent visit by our premier, Li Peng, to four of the former USSR's Central Asian countries is an example of this. In our view, all countries, whether large or small, strong or weak, have a right to participate in equal international cooperation. They have a right to choose their own social system and way of life. We are against intervening in the internal affairs of other countries. All countries in the world must live in peace. Economic relations must be based on equality and mutual advantage. There are more than 180 states in the world and approximately 3,000 peoples. The world is multifarious, each country has its own specific history and culture and specific geographic conditions, and they all have to respect each other. It is impossible to force a single view or single model on countries. Variety and diversity are manifestations of human civilization.

China is a large country with a rapidly growing economy. Even if we become economically strong, we will not intervene in the internal affairs of other states. We will not strive for world domination. We are at the end of one century and we will soon enter into another. We must bring a peaceful, developing world into the next century. All forward-looking politicians must strive for this.

Minister Reports on Commodity Price Inspection

HK1406082094 Beijing RENMIN RIBAO in Chinese 8 Jun 94 p 2

["Excerpts" of speech by Chen Jinhua, minister of the State Planning Commission, at National Meeting on General Inspection of Commodity Prices; date and place not given: "Continue To Do a Good Job of the General Inspection of Commodity Prices"]

[Text] Progress and Main Achievements Made in the Nationwide General Inspection of Commodity Prices

In early March this year, the State Council decided to launch a nationwide general inspection of commodity prices in the wake of the in-depth development of the reform and the enforcement of the macroeconomic regulation and control. This is an important step which we have taken toward inhibiting inflation in consideration of the general interests of reform, development, and stability. By following the State Council's policy decision, the general inspection of commodity prices has

scored initial results across the country over the past two months or so. The following are some main achievements:

1. A deeper understanding has been gained of the necessity to exercise regulation and control of prices under market economy conditions. During the general inspection of commodity prices, the State Planning Commission and the Propaganda Department have organized a propaganda campaign through the mass media with the main theme of deepening reform, intensifying regulation and control, and advancing the wholesome development of the market. We have widely publicized and elaborated on several viewpoints through the news media. For instance, the view that the decontrol of prices does not mean the completion of reform, laissez-faire policies should not be applied to the market prices, and the creation of the price mechanism through the market requires the deepening of reform in various aspects; and the view that the establishment of a sound price regulation and control system is an important part of the shaping of a socialist market economic structure. By systematically publicizing and implementing all the price regulation and control measures, the party and the government have proved they are really concerned about the public's livelihood and are striving hard to manage commodity prices in accordance with the latest development of the socialist market economy. Local leading comrades have realized that the price regulation and control is one of the government's important functions and producers and traders have realized that independent pricing does not mean that the state's supervision and control of prices are void.

2. The inspection of commodity prices has expedited implementation of all the price regulation and control measures formulated by the state. Some localities have already set up their grain marketing risk funds and nonstaple foodstuff price regulation funds. The marked price system has basically become a common practice among state-owned and collective-run retail shops and executive government organs which render services for fees and substantial progress has been made in introducing the marked price system among private enterprises and individual retail stalls. The state has formulated and promulgated the specific procedures for monitoring the prices of daily necessities and services and local authorities have expanded their price monitoring network to cover vegetables, medicines, salable residential flats, hairdressing services, bath house services, and so on, according to their local circumstances. Shanghai Municipality has taken the lead in formulating and promulgating the "Interim Regulations Against Price Cheating and Staggering Profits" and the "Detailed Procedures Governing Investigation and Handling of Cases of Staggering Profits Related to the Entertainment Business, Catering Industry, Clothing, and Mechanical and Electrical Products," which have played a positive role in curbing the practice of seeking staggering profits and in protecting the consumers' interests. These have been appreciated and endorsed by the

public. Shenzhen City has lifted restrictions on the wholesale dealings in vegetables and pork and exercised control of the price margin in retail sales. This has not only ensured reasonable profit margins for the traders but also protected the producers' and consumers' interests.

3. A number of cases of violation of laws related to commodity prices have been investigated and handled. Incomplete statistics show that a total of over 190,000 cases of violation of laws related to commodity prices were investigated across the country from 10 March to 10 May. The amount of ill-gotten gains involved in these cases totaled nearly 400 million yuan. Over 100,000 of these cases have already been handled and the amount of fines resulting therefrom came to more than 88 million yuan. Of the cases involving malpractices, more than 41,000 are related to basic daily necessities, over 4,800 are related to the prices of monopolized capital goods, more than 2,700 involved prices of agricultural means of production, and more than 8,100 cases were related to charges for public utilities and services. Through the investigation and handling of cases of violation of price control laws, the trend of arbitrary price increases and unreasonable service charges is being checked.

4. The general inspection of commodity prices has caused the producers and traders to intensify self-regulation of prices. Through the investigation and handling of cases of violation of the state's price-control laws, enterprises have been guided to observe the principle of legal operation, fair transaction, and equal competition, and producers and traders have realized that legal pricing behavior is the principle that must be observed by enterprises when they are marching toward the market. At the same time, the enterprises have been helped to establish and improve the price control system and heighten their sense of self-restraint regarding pricing. Shandong Province has extensively introduced a sound self-restraint mechanism regarding pricing, the core of which is the appointment of price monitors and the establishment of five systems (specifically, the accounting system, the decision-making hierarchy system, the marked price system, the regular price inspection system, and the market survey system).

While fully appreciating the achievements made in the general inspection of commodity prices during the previous period, we must also be aware that we have not done an equally good job everywhere else. In just a few localities, people have not thoroughly realized the important significance of the general inspection of commodity prices, so they have acted a little slackly; on the other hand, since the legislation process has lagged behind, management has been inefficient, policies have not been clearly defined, and there has not been sufficient manpower to carry out the inspection. These few localities have been facing great difficulties and obstacles in the investigation and handling of cases of violation of laws related to price controls. All these issues deserve much attention and should be resolved at the next stage through effective measures.

Carry Out the General Inspection of Commodity Prices in Depth and In Line With the Principle of Realizing Reform, Development, and Stability in a Balanced Way

Reform, opening up, and the economy have kept on developing along a good track since the beginning of this year. All the reformatory measures in the fields of finance and taxation, banking, foreign exchange and foreign trade, and the investment structure have been basically operating well since they were introduced and some of the measures have scored better results than expected. At a time when major reform projects have been presented, economic operations on the whole are gradually developing in a direction in favor of macroeconomic regulation and control. In the first quarter, the GDP increased by 12.7 percent over the same period last year, while the gross industrial output value in January to April increased by 18.4 percent. The financial situation has remained stable and revenue has continued to increase. The net amount of money withdrawn from circulation was 5.07 billion yuan in January to April, an increase of 41.92 billion [amount as published] over the amount of money withdrawn in the same period last year; meanwhile, the financial revenue increased by 22 percent over the same period last year. The foreign trade import-export volume and the state's spot exchange balance continued to increase. In January to April, the total import-export volume increased by 21.2 percent over the same period last year and, meanwhile, the state's spot exchange balance increased by \$8.1 billion over the figure at the beginning of the year. The margin of growth in fixed assets investments continued to narrow since efforts were made to intensify the management of extending loans for financing investments in fixed assets, to bring newly started projects under strict control, and to launch a general inspection of investments. In January to April, the value of investments made by state-owned units increased by 38.4 percent over the same period last year, with the growth margin decreasing by 30.5 percentage points as compared with the same period last year. The dramatically rising trend of the general commodity price level has been slowing down in the wake of the implementation of various macroeconomic regulation and control measures and the start of the general inspection of commodity prices. In April, the nationwide retail price index increased by 19.5 percent over the same period last year, with the inflation margin decreasing again by 0.7 percent as compared with that for March. It is expected that the price raises will continue to subside in May and June. However, we should also be aware that the current balance between the aggregate supply and demand is not very secure, some negative factors unfavorable to agricultural production still exist, the threat of inflation is still valid, the price raises are still quite high, and we are still far from our set target in our efforts to bring inflation rate under control. Therefore, we should never show any slackness in our work.

To ensure that the set targets are reached in the general inspection of commodity prices while maintaining a balance between reform, development, and stability, in

the next stage we must continue to strive to really fulfill the five requirements set out by the State Council: 1. To further implement the price regulation and control measures put forward by the state, speed up the pace in formulating specific measures to introduce the marked price system and the price monitoring system, set up the grain marketing risk fund and the nonstaple foodstuff price regulation fund as soon as possible, and formulate price control laws and regulations. 2. To curb arbitrary price raises and unreasonable service charges for major categories of products and services, stop the practice of raising prices under the pretext of reform, and investigate and handle cases of violation of price-control laws. 3. To continue to publicize typical cases, positive and negative alike, thus giving fuller play to the initiative of the masses and the role of public opinion in monitoring prices. 4. To cause the producers and traders to exercise self-restraint and self-supervision and to heighten their sense of observance of laws and discipline as far as commodity prices are concerned. 5. To make great efforts to ease the price raises and to ensure that inflation continues to slow down.

In light of the current economic situation, we must lay stress on the following aspects in our efforts to fulfill the abovementioned five requirements:

First, it is necessary to further advance various price reform projects and implement all the regulation and control measures.

In the process of the general inspection of commodity prices, we must give a stronger push and guidance to all localities on implementation of all the major measures adopted by the State Council regarding price reform and macroeconomic regulation and control. The establishment of the grain marketing risk fund, the nonstaple foodstuff price regulation fund, and the important commodity reserve system are important measures taken by the state to lower commodity prices through economic means. All localities must establish these systems this year according to the requirements set by the State Council. It is necessary to actively study ways to establish the risk fund system regarding the supply of nonstaple foodstuffs, to gradually improve the economic means for the state to regulate and control commodity prices. The monitoring of prices for basic daily necessities and of service charges is a moderate administrative and guiding measure adopted to prevent decontrol and drastic fluctuation of commodity prices, under the precondition that the enterprise's decisionmaking powers regarding price setting are respected. All localities must formulate special implementation procedures in accordance with their local circumstances. Within the range of commodities and service items that are subject to price monitoring, those put under state control must undergo rigid price adjustment; as for those which are already free of state control, local authorities must, according to the principles laid down by the State Council, formulate specific implementation procedures governing the price adjustment operation reporting and application system, as well as the regulation of price differences and profit

margins. It is necessary to make every effort to stabilize the prices of rice, food, and fuel.

Second, it is necessary to continue to investigate and curb the practice of arbitrarily raising prices under the pretext of reform.

To cope with new cases and new problems which have emerged during implementation of the reform plans regarding finance, taxation, foreign trade and foreign exchange, investments, and prices, the State Council and departments concerned have already formulated corresponding measures and methods which are now being carried out, step by step. Through the general inspection of commodity prices, we must oversee the producers and traders conscientiously implementing these measures and methods and we will lower prices which have been raised on their own without approval. We must take it as an important task to ensure the smooth implementation of all reform plans, work conscientiously, resolutely stop the practice of marking up prices at every link of the marketing chain, and strictly minimize any chain effects. Cases of lawbreaking behavior, such as raising prices in disregard of state regulations and seeking staggering profits, must be promptly investigated and dealt with severely.

Third, it is necessary to vigorously cultivate a market order which encourages open, fair, and just competition.

As a result of our efforts during the previous stage, the price disorders have been rectified to a certain extent. However, the phenomena of arbitrarily raising prices and collecting unreasonable service charges are still pretty serious. These are highlighted by the following cases: Some marketing units sell nationwide standard-price commodities at higher prices in disregard of state regulations; some enterprises producing chemical fertilizers and steel products, with their dominance over the market, sell their products at high prices; a small number of industrial and commercial enterprises have joined forces to monopolize the market; some enterprises take advantage of reformatory measures to raise prices; many medical services, education, postal and telecommunication services, and rural power supply sector grass-roots units arbitrarily charge their customers for services; and it is a common phenomenon that some private business owners and hawkers in the catering and garment marketing sectors seek staggering profits by cheating their customers. We should make unremitting efforts to stop these practices, resolutely fight activities contravening price-control laws, and develop a market environment which promotes open, fair, and just competition. We must make further efforts to set up the marked price system and expand it to cover all commodities and services; see that private enterprises, individual producers and traders, and stall owners and hawkers in all market places practice the marked price system; increase the degree of transparency of the pricing process; and we must place pricing under the public's supervision.

We must keep integrating the general inspection of commodity prices with investigations and study. We should further analyze the causes contributing to price disorder in light of the problems exposed in the general inspection of commodity prices, draw lessons from our past experience, check out loopholes, formulate in good time some measures to intensify price regulation and control, and establish and improve the regulations and systems concerned. With the aim of establishing the socialist market economic structure, we must speed up legislation regarding price controls; step up the formulation of the "price law"; formulate antitrust, antistaggering-profit, and antichecking laws and regulations; set standards to regulate pricing behaviors; and draw up the "price monitoring and inspection regulations." Those laws, ordinances, and regulations which have been promulgated should be improved to suit new circumstances. Some regulations and legal documents on regulatory functions which urgently need to be revised should be re-formulated. For instance, the "Interim Regulations Governing Simple Trial Procedures for General Cases of Violation of Price-Control Laws" and the "Regulations on Penalties on Cases of Violation of Price-Control Laws Regarding Failure To Lodge Application For and Report Price Adjustment." Those regulations and legal documents on regulatory functions regarding price control which no longer suit the actual circumstances should be sorted out and rescinded. Prior to the promulgation of nationwide applicable laws, ordinances, and regulations regarding price control, local authorities may formulate some local laws, ordinances, and regulations regarding price control, on their own and in light of their local conditions. We will work, step by step, to put the price regulation, control, management, supervision, and inspection on a standardized and legal basis, so that we can exercise price control according to the law.

Minister Reports on State-Owned Enterprise Production

OW1406062994 Beijing BEIJING REVIEW in English
No 24, 13-19 Jun 94 pp 20-21

[Article by Wang Zhongyu, minister of the State Economic and Trade Commission: "State-Owned Enterprises Prosper"]

[Text] This year, sound development in production and reform has been registered by China's state-owned enterprises which are undergoing changes in their operational mechanisms and the reform for instituting a modern enterprise system.

From January to April this year, the total output value of state industrial enterprises increased by 4.7 percent over last year's same period. In April, the figure rose by 5 percent. No large-scale suspensions or partial halts in production were recorded for state enterprises during the period. A recent investigation carried out in 16 provinces and municipalities showed that the number of enterprises suspending production or operating below capacity accounted for only 10 percent of the total

number of state-owned enterprises, with 4 percent actually having suspended production. An investigation in Beijing indicated that the proportion was even less, accounting for only 2 percent of the total number of state firms in the municipality. In the country as a whole, enterprises required to suspend production or operate below capacity were mostly small and medium-sized enterprises in coal and textiles industries.

A number of factors have contributed to the adverse situation, including the excessive production capacity and unsalable products turned out by certain industries. In other cases, the operation of some enterprises has been handled improperly. Still others have been forced to close, suspend production, merge with other enterprises, or switch to the manufacture of other products in accordance with state industrial policies, or due to readjustment in each individual enterprise's organizational structure, or urban transformations projects.

Some reports about the increasing losses of state-owned enterprises are false and misleading. Since last July, to facilitate the establishment of a socialist market economic structure, state-owned enterprises have implemented the General Rules on the Finance of Enterprises and the Norms of Enterprise Accounting which dovetail the international accounting system. They have included some expenses formally paid by enterprise profits, such as interest on long-term loans and salary and bonus increases, into their production cost. Simultaneously, in order to accelerate technical transformation, such enterprises have been allowed to raise their rate of depreciation on equipment. All of the measures have helped enterprises expand their decision-making power and are beneficial to their long-term development. Although the actual book profits of enterprise have come down, with the result that the narrow profit margins of some enterprises have turned into losses and the latent losses of some other enterprises have been switched into explicit losses, the actual returns of enterprises have increased.

According to statistics released by the Ministry of Finance, between January and March this year, the cost outlays of enterprises increased 11 billion yuan due to disbursements recorded as costs, including items such as interest on loans for fixed assets, depreciation, bonuses, and welfare and educational fees. Counting 8.1 billion yuan of actual profits kept in account books, the amount of profits increased by 50 percent over last year's same period.

The government plans to adopt measures to solve the problem of losses incurred by some enterprises. For those with poor management, a modern enterprise system will be instituted, with due emphasis placed on turning losses into profits by deepening the reform and changing operational mechanisms. At present, relevant departments under the State Council and governments at all levels are adopting measures to carry out the work.

In an effort to alleviate the difficulties facing some state-owned enterprises and inspire them to change their

operational mechanisms, the State Council has readjusted its credit policy toward industrial enterprises' circulating funds. The bank will provide loans to enterprises whose products enjoy a ready market even if they are currently suffering from losses or are in debt or are in arrears with payment of bank interest. However, it is prohibited from granting loans to enterprises with an excessive stock of unsalable products. With regard to the basic living expenses of employees in loss-making enterprises, the bank will provide loans, and local governments will also offer discounted interest on loans in order to ensure social stability. Enterprises which have no possibility for turning losses into profits will carry out procedures outlined in the Bankruptcy Law. Experiments will be carried out prior to nationwide implementation of the measures.

At present, some state enterprises are plagued by a shortage of circulating funds due to their excessive investment scale and extensive participation in construction projects. In addition, some enterprises seek increased output by engaging in blind production, and as a result the sales volume for their products has plummeted, loans cannot be repaid on schedule, and serious mutual delinquencies have occurred. To solve these problems, the government will strictly control excessive investments in fixed assets and bulging consumption funds. Meanwhile, the principle of "limiting the production of overstocked commodities, reducing inventories and facilitating marketing" will be implemented. The State Council has authorized relevant department to join forces with the bank and other departments to terminate mutual arrears between enterprises. The fund shortage is expected to be gradually eliminated through the concerted efforts of governments at all levels and enterprises themselves.

Paper Reveals 1994 Fixed Assets Investment

HK1306093494 Beijing JINGJI CANKAO BAO in Chinese 10 May 94 p 4

[By Zhang Hanya (1728 3352 0068) from the State Planning Commission Institute of Investment Research: "Analysis and Forecast of the 1994 Investment Trend in Fixed Assets"]

[Text] I. Estimation and Calculation of a Rational Scale for China's 1994 Investment in Fixed Assets

Investment in fixed assets is a major aspect of the use of national income. During a certain economic development period, in order to guarantee the sustained and steady development of the national economy, investment in fixed assets should be kept within a certain scale, namely within a rational scale.

1. The lower limit of the rational scale.

There are mainly two factors deciding the minimum scale of fixed assets investment. First is the investment used to compensate for the depreciation of fixed assets to maintain the scale of simple reproduction. According to

State Statistics Bureau data, and taking into consideration the effect of prices on the replenishment of fixed assets, we estimate the 1994 fixed assets investment needed to compensate for depreciation to be approximately 290 billion yuan. The second factor is the capital input to be put in place in 1994 so that projects which began construction during the past few years can be successfully completed and put into production. This is estimated at approximately 790 billion yuan. The sum of the two, 1.08 trillion yuan, is the rational lower limit of 1994 fixed assets investment volume.

2. The upper limit of the rational scale.

The principle for deciding the maximum rational scale is to not cause too much pressure on the national economy and people's living standards. The upper limit to the investment scale is resources which come from national production and income. Because of the large scale increase in China's fixed assets investment during the past two years, the productive fixed assets which can be inputted for use in 1994 has increased 14.3 percent over 1993. Theoretically, one might infer that if all these fixed assets could be used efficiently, the 1994 GDP would increase by 14.3 percent. However, due to various reasons, the GDP increase will be slightly lower. According to our estimates, if efficiency is high, it is possible to reach 13 percent, as in 1993. Since 1981, the average growth of China's GDP has been 9.5 percent and the average investment growth, according to comparable prices, has been 14.7 percent, or 1.55-times the former. If one extrapolates according to this ratio, the investment growth in 1994 could reach 20 percent, that is, the investment increase in terms of physical quantity could reach 1.42 trillion yuan. According to forecasts, the 1994 investment price index will be around 10 percent. That being the case, the currency investment volume, according to the current year's prices, will reach 1.56 trillion yuan. This, then, is the rational upper limit of the 1994 investment scale.

3. The appropriate scale for 1994.

According to the above analysis, it can be seen that China's 1994 fixed assets investment scale should be controlled between 1.08 and 1.56 trillion yuan to guarantee the smooth development of the economy and avoid major problems. However, this does not mean that every point within the rational range is suitable for the economic development of China at the current stage. From an optimizing perspective, within this rational range there should be an optimal point. The closer we are to this point, the closer we are to an investment scale most suitable to China's economic development. This optimal point has to be decided according to the concrete situation in China's current development.

Seen from the growing trend of fixed assets investment during recent years, because of improvement and rectification, in 1989 and 1990 the investment growth was actually negative and the 1988 level was only regained in 1991. The rapid growth in 1992 still showed certain

in 1991. The rapid growth in 1992 still showed certain features of a recovery. People did not feel any economic tension until close to the end of the year because of the substantial accumulation of both material and manpower resources during the previous few years of low-speed growth. The continued growth in 1993, on the other hand, belonged to real high-speed growth, especially since, after the high-speed growth of 1992, material resource accumulation had become low and almost everything relied on the current year's production and imports. This led to rapid price raises for capital goods and triggered price raises in some

consumer goods, causing a rather tight situation in the whole national economy.

The year 1994 came after the rapid growth of 1992 and 1993. The 1993 investment growth, in particular, made China's investment rate (fixed assets investment of the whole society/GNP) reach as high as 37.8 percent in 1994. This is the highest investment rate since China's reform and opening to the outside world began (see Table 1) and is also very rare abroad. Only Japan, during its high-speed growth of the 1970's, exceeded this rate for one year (1973) (see Table 2).

Table 1—1981-1993 China's Fixed Assets Investment Rate [FAIR]

Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
FAIR (percent)	20.1	23.7	24.6	26.3	29.7	31.1	32.2	32.0	25.9	25.1	27.2	32.7	37.8

Table 2—Japan's Investment Rate [IR] in Its Economic High-Speed Development Period (1960-1976)

Year	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
IR (percent)	32.6	34.9	34.2	33.8	33.1	30.9	32.5	33.8	34.7	37.0	36.3	35.3	36.7	38.6	34.1	33.0	31.2

Source of data: "Foreign Economic Statistical Data 1949-1976" April 1979 edition, China Financial and Economic Publishing House.

China is now in a transitional stage from a society having adequate food and clothing to one with a relatively comfortable lifestyle. In terms of economic power it is comparable to Japan in the early 1960's. According to China's situation, and taking foreign experience as a reference, the investment rate is most suitable between 33 and 35 percent. After the high-speed growth of fixed assets investment during 1992 and 1993, China's national economy was already over-stretched, and it was necessary to slightly relax it in 1994. At the same time, taking into consideration the fact that China's economy is still of the investment-propelled type, without a certain amount of investment growth, stagflation will occur and affect the continuous steady development of the entire economy. Therefore, the 1994 investment rate must not drop too much from 1993. After making some calculations, we believe that the most suitable investment rate for 1994 would be if we took the mean of 1992 and 1993, namely, to be controlled at around 35 percent. Based on national economic development plans, China's 1994 GNP at the current year's prices will reach 3.76 trillion yuan. According to a 35 percent investment rate, the scale of fixed assets investment should be controlled at around 1.316 trillion yuan, which is close to the middle point (1.32 trillion yuan) of the above defined rational range, with an increase of 10 percent over last year.

II. Forecast of Investment Scale Which May Actually Be Reached in 1994

In 1994, the scale which China's fixed assets investment may actually reach will be mainly determined by three factors: One is the objective need, two is the resource supply capability, and three is the state macroeconomic regulation and control.

In terms of objective need, after Comrade Deng Xiaoping's speeches on his southern trip were published, local governments made grand economic development plans during the later half of 1992 or the first half of 1993. Among these, quite a few provinces and municipalities set the goal of catching up with or surpassing the "four small dragons." In order to realize these plans, increased construction projects and investment were unavoidable. The year 1994 is the second or third year for the provinces to implement their plans; it is a stage of ascendancy. Because the central government has delegated quite a bit of the investment power, the local investment based on self-raised funds has become difficult to control. In many places, all the funds raised last year and the year before have been used in construction, thereupon getting into a position of no turning back. Last year the state said that the investment scale was too large and the economy was overheated. However, not a single region considered its own investment scale to be too large or its own economy to be overheated. Therefore, it has been very difficult to ask the local governments to slow down investment. The central government, too, has a need to expand investment. First, given that all localities are launching large projects, it is necessary to expand investment in basic industries to guarantee the coordinated development of the future economy so that the supply capacity of "bottlenecks" can be expanded. Second, in order to guarantee the coordinated development of the whole society while the economy is developing, investment needs to be increased simultaneously in national defense, science and technology, culture, education, health, and sports, as well as environmental protection and other public welfare establishments.

Third, in order to reduce regional gaps, investment needs to be increased in poverty-stricken areas. Fourth, investment needs to be made in the reform of the old industrial bases, the construction of commodity grain production bases, the treatment of large rivers, and so on according to national development plans.

In terms of the power to supply resources, it has been forecast that China's industrial growth for 1994 will still be above 15 percent. In recent years, China has entered a stage whereby growth in heavy industry has exceeded growth in light industry. The heavy industry, to a large extent, relies on investment and construction to realize its output value. Especially since the demand for investment growth in the past two years has caused a large scale investment increase in some industries producing materials for investment, such as metallurgy, construction materials, and so on, a growth in production capacity for these industries in 1994 can support a rather large increase in investment. Therefore, seen from the demand and ability to supply resources, we are still equipped with the conditions for high-speed growth in fixed assets investment in 1994. If not controlled, there will be no problem in achieving a 15 percent growth in physical quantity. And if we consider the 10 percent investment price coefficient, then the increase in the volume of currency will exceed 26.5 percent, reaching 1.5 trillion yuan or even higher.

Although this scale is within the rational range defined above, it exceeds the most suitable figure by nearly 200 billion yuan and will raise the investment rate to 39.9 percent. This will certainly put pressure on the national economy.

In order to reduce pressure on the national economy caused by the investment growth, the state, beginning in early 1994, has taken a series of soft-landing regulation and control measures. For instance, the state leaders have repeatedly talked about the danger of over-investment at National People's Congress meetings and on other occasions; the central authorities have issued circulars to control the scale of investment, demanding the tightening of the examination and approval of projects, the screening of development zones, the control of loan scale, the prohibition of chaotic fundraising, etc. Seen from the fact that, in the first quarter of this year the investment material market is basically balanced as to supply and demand and that prices are stable, and seen from other information relevant to investment growth, the abovementioned measures have achieved some results. If this trend develops, then it is possible to control the total amount of 1994 fixed assets investment at around 1.4 trillion yuan and lower the price index of investment material to under 7 percent.

III. Analysis of the 1994 Investment Structure and Efficiency

Because the market mechanism's guidance over investment has gradually become stronger, and the governments at various levels have gained a better understanding of the importance of infrastructure, such as

transportation and post and telecommunications, the percentage of investment in tertiary industries in 1992 and 1993 grew continuously, especially in transportation and post and telecommunications. This is both suitable to the adjustment of the industrial orientation in China and beneficial to alleviating "bottleneck" industries. One can say that the investment structure is changing in a rational direction. Seen from the current situation, this change will be maintained during 1994. Because the state will raise the prices of some energy products systematically during 1994, the percentage drop in investment in the energy industry during the past two years will be alleviated or stopped. However, some problems will still occur in the investment structure during 1994. First, the investment decisionmakers in some regions lack a holistic concept. They choose where to invest with only local and current markets in mind, so that they over-invest in some industries the products of which are currently in great demand and which yield huge profits—for instance the real estate industry—while investing little or not at all in industries whose products currently do not seem to be in great demand or which are more difficult to build, such as high-tech products or industries in which China is still comparatively backward and which produce upgraded mechanical equipment and special raw materials. Second, some places have begun too many new infrastructure projects which, due to insufficient financial ability, may lead to delays in completion or cause them to lie idle after construction. For example, almost all coastal cities are now launching port projects. The occurrence of these situations is hard to avoid.

The establishment of a socialist market economic system and the intensive competition of many products in the market in recent years have already caused the majority of investment decisionmakers to begin to pay attention to the efficiency of investment. Seen from the actual situation of the past two years, efficiency still remains an important problem to be resolved energetically in China's investment field. Currently, there are still many investment decisionmakers who lack scientific decision-making concepts. In order to launch projects quickly, they neglect feasibility analyses, which are vital to guaranteeing the efficiency of construction projects, or only perfunctorily put up a show for others to see. Such careless decisionmaking cannot guarantee the efficiency of investment.

Scale, structure, and efficiency are the three major problems in the field of investment. Of the three, efficiency plays a decisive role. If an investment has good efficiency, the larger its scale, the larger its contribution to future economic development. This should be encouraged. To pay attention to efficiency, it is necessary to conduct good feasibility analyses when deciding on a project and to forecast future markets, the supply of productive resources, and the efficiency of production. If one makes decisions only after one is convinced that satisfactory results can be obtained, then one will not blindly launch projects and expand the investment scale

but will reduce industrial imbalances and propel the investment structure towards a rational industrial structure. Therefore, to pay attention to investment efficiency is the key to solving all three problems in the field of investment at the same time.

To sum up, we believe that in 1994, apart from adopting methods such as tightening control on the tap of capital to avoid excessive inflation of the investment scale, we should raise the level of project decisionmaking and add investment efficiency as one of the major goals of macroeconomic regulation and control. By implementing the investment restructuring plan raised in the "Decision by the CPC Central Committee Concerning Several Issues in the Socialist Market Economic System," we should "gradually establish risk responsibility for corporate investment and bank credit and loans." We should form, as fast as possible, a system unifying responsibility, authority, and benefits, which will restrict the actions of investors. We should further perfect supporting institutions, such as the publication of information, consultancy, examination and approval of feasibility reports, etc., and thus create conditions for scientific decisionmaking on projects.

Commentary Warns Against Falsifying Statistical Data

OW1306123494 Beijing XINHUA Domestic Service in Chinese 0222 GMT 13 Jun 94

[Commentary by reporter Zhang Jinsheng (1728 6930 0524): "Resorting to Deception in Statistical Work Can Never Be Allowed"]

[Text] Beijing, 13 Jun (XINHUA)—The nationwide inspection of the enforcement of the statistics law has begun. The inspection not only has great significance for ensuring the state's scientific decisions and modern management, but will also definitely make great contributions to laying a legal foundation for the country's statistical work.

Since the "Statistics Law" was promulgated and put into force more than a decade ago, statistical work has played an increasingly important role in the country's macrodecisionmaking and macroeconomic regulation and control. This year is an important one for building a socialist market economic system. Following the implementation of a series of major reform measures, some interest setups formed in the past have changed and many problems have arisen as a result of the readjustments of interests. Therefore, the situation demands that we build a macroeconomic regulation and control system in line with the development of the market economy as soon as possible, and strive to refine the system. The basic function of statistical work is to conduct statistical surveys and analyses of economic and social development to faithfully reflect the actual situation; and to provide objective, accurate, and reliable information for making scientific decisions and for formulating macroeconomic regulation and control measures.

According to information provided by the State Statistics Bureau, over the last few years, the nation's important statistical data as a whole has objectively reflected the trends and changes in the nation's economic performance and has basically been accurate. However, it must be pointed out that individual localities, departments, and some units have a poor understanding of the statistics law; some of them have even ignored it and falsified statistical data. In particular, they have resorted to deception in preparing indicators that reflect their work performance—radically violating the party's ideological line of seeking truth from facts, damaging the party's good traditions and style, and disturbing reform, opening up, and the development of the socialist market economy. If this mistake of extreme egoism and regional protectionism is allowed to spread, the country's scientific decisions and macroeconomic regulation and control are bound to lose reliable ground, which will have a disastrous affect on the healthy development of the nation's economy.

People in economic circles have pointed out: Currently, the prominent characteristic of fraudulent practice in statistical work is to use falsified data to win either personal or a small group's political honor and to favor their economic interests. For instance, to show their "work performance," the leaders of a certain county asked their agriculture bureau to increase peasants' per-capita net income from 188 yuan to 204 yuan. But, when they learned that the higher authorities had decided to treat counties in which peasants' per-capita net income was less than 200 yuan as counties eligible to receive impoverishment relief aid, they again asked the statistics and agriculture bureau to change the per-capita net income to 183 yuan and submit it to departments concerned in order to be awarded an impoverishment relief fund. In another example, in an attempt to make their county the province's first to double its total industrial and agricultural output value, the leaders of a certain county fabricated a string of figures for announcement by the news media, causing a very bad influence.

Fraudulent practice in statistical work is by no means an ordinary violation of discipline in economic life—its damaging and corroding effects are extremely serious. When commenting on this matter, a leader of the National People's Congress Standing Committee seriously pointed out that we must have adequate understanding of the serious damage caused to society by this law-violating act, and that we should unrelentingly investigate cases of this kind. A person in charge of the State Council stressed: The news media should timely expose cases that have caused a bad influence. We should educate a large number of people with each case exposed. We should respect facts at any time and under any circumstances—this is the fundamental principle our party has always upheld, our party's lifeline. We can expect that, through the current inspection of enforcement of the statistics law, new progress will be made in laying a legal foundation for the country's statistical work.

Government To Impose Crackdown on Economic Crimes

OW1306164094 Beijing XINHUA in English 1539
GMT 13 Jun 94

[Text] Shengyang, June 13 (XINHUA)—China will pay more attention to cracking down on major economic crimes in its anti-corruption struggle.

Hou Zongbin, deputy secretary of the Central Commission for Discipline Inspection of the Communist Party of China, said this during his inspection in northeast China's Liaoning Province on June 6-13.

Hou pointed out that the party's struggle against economic crimes is a serious political struggle and has no room for compromise.

He urged all departments in charge of discipline inspection and supervision to make as much headway as possible in dealing with economic crimes within a short period of time.

He also asked all party leaders and members and government officials to shoulder responsibility for the work while working hard for reform and opening to the outside world.

The discipline inspection and supervision organs should positively cooperate with judicial organs in the current struggle, he said.

Economic crimes involving leaders above county level should be dealt with resolutely, he stressed.

New Foreign Investment, Capital Drops by Half

HK1406045094 Beijing CHINA DAILY in English 14
Jun 94 p 1

[By Ma Zhiping: "New Foreign Investment Down by 50 Percent"]

[Text] The growth of foreign-funded businesses in China is slowing down due to State policy readjustments and keen competition from neighbouring countries for outside capital, said the State Administration for Industry and Commerce (SAIC).

The number of newly established foreign-funded enterprises was 10,739 in the first quarter of this year, down 43.6 percent compared to the same period last year.

There was also a 50 percent drop in new foreign investment and registered capital, according to the latest SAIC statistics.

"The introduction of a new taxation system, which cuts down preferential tax treatment for foreign-funded ventures, is a major factor affecting new foreign investment," said Hou Lin, head of the Enterprise Registration Department of SAIC.

Other policy readjustments, such as the suspension of duty-free import of foreign cars by foreign-funded firms

in China, and the increasing competition among industries vying for foreign funds also played a part.

Two other factors also contributed to the slowdown. The first are the preferential policies adopted by some nearby Asian countries to attract foreign investments, and the second is the tightened economic control designed to cut down the scale of capital investment.

"The slowdown in the growth of foreign-funded firms is normal and it is good that the State standardizes foreign firms and joint ventures and improves their management in China," Hou said.

He added that the rapid growth of foreign-funded firms in the past two years saw some unhealthy practices.

For example, bogus joint ventures had been set up to take advantage of Chinese preferential policies.

A small increase in the number of foreign-funded firms was reported in Beijing, Jilin and Tibet Autonomous Region. However, the number plunged by more than 50 percent in 12 provinces and regions including Jiangsu, Shandong, Zhejiang, Hainan and Hunan.

About 70 percent of the foreign investment went to the industrial sector while investment in real estate, public utility projects and consultancy services is cooling.

The number of joint ventures decreased by 50 percent in the first quarter but the number of foreign-owned firms rose by 6 percent, according to SAIC statistics.

There were a total of 167,000 overseas-funded businesses in the country by the end of last year.

Experts Urge Enterprises To Use 'Self-Supplied Funds'

HK1406044894 Beijing CHINA DAILY in English 14
Jun 94 p 4

[Article: "State Pursues More Working Capital for Public Firms"]

[Text] A shortage of working capital has recently become acute at many State-owned enterprises.

At a recent seminar organized by China Financial Times on the issue, government officials, financial experts and businessmen concluded that the solution depends on changing the way State enterprises operate.

Bank loans have been the main support behind enterprises' operations ever since the government stopped earmarking working capital, according to China Financial Times.

Most enterprises accumulate little for working capital. Nationwide, the average percentage of enterprises with self-supplied funds for working capital fell from 25 percent in 1984 to only 7 percent last year.

For normal operations, an enterprise should generate at least 30 percent of its working capital, according to Liu Zigang, an official with the Industrial and Commercial Bank of China (ICBC).

When bank loans are in short supply, such enterprises experience hard times.

It is a heavy burden for the banks to provide large amounts of working capital for enterprises.

According to Liu, ICBC provides 80 percent of the working capital extended by financial organization.

In 1992, the bank's loans for working capital rose by 67.2 billion yuan (\$7.7 billion) compared with the previous year. Last year, it rose by 102.4 billion yuan (\$11.8 billion). By the end of this April, the increase totalled 20.3 billion yuan (\$2.3 billion), 10.3 billion (\$1.2 billion) more than in the same period last year.

But the demand for working capital rises even more rapidly.

Inflation has caused increases in the enterprises' production costs, so demand increased for working capital.

Chain debts also take a large part of the enterprises' working capital. Large uncollected accounts at many firms force them to delay payments to their own creditors.

During the first quarter of this year, the total owed by the 40,000 enterprises which have accounts at the Industrial and Commercial Bank increased by more than 40 billion yuan (\$4.6 billion), compared with the same period last year, according to Liu.

Many enterprises have not invested enough for their construction projects, so funds earmarked for working capital usually are diverted to fixed assets to pay for the construction.

For construction completed between 1992 and 1993, diverted funds totalled at least 67 billion yuan (\$7.7 billion).

According to Su Zongguo, an official with the State Economy and Trade Commission (SETC), there will be a gap of at least 50 billion yuan (\$5.75 billion) between demand and supply for working capital required by industrial enterprises this year.

Because of this shortage, many enterprises may have strong sales, but lack funds to purchase raw materials to produce more goods.

The government has decided to adopt different measures to solve the problem. Major enterprises with bright prospects that have used their capital properly will be assured of government support.

Enterprises in poor financial shape but striving to improve their operations will receive loans. Enterprises considered hopeless will be allowed to go bankrupt.

To do this, it is essential to categorize enterprises with great care, says Hu Huanxin from the Agricultural Bank of China.

The total investment in fixed assets should be firmly controlled, said Su. New projects should only be approved after they have raised enough funds so that no working capital will be diverted.

Chain debts will be monitored by the SETC to free working capital. Analysis has already begun with major industrial enterprises that work with raw materials, power, and machinery.

The enterprises' reliance on bank loans should be reduced through an increase in self-supplied working capital, said Liu Zigang. And the State should increase investments in major industrial enterprises through lower tax rates, and tax rebates.

Banks should set aside loans to be used exclusively as working capital. Sales income from enterprises should be placed in banks' special accounts and earmarked for use as working capital.

Supervision of bank loans to be used for working capital should be strengthened through a regulatory system, so that these funds could be used more efficiently. This can be one way to ease the shortage of working capital, suggests Yao Jiqi from the Bank of China.

Within the corporate system, government enterprises now can raise money by issuing stocks and bonds.

To help transform their operations, the SETC has started to experiment with more than 10,000 enterprises in 10 cities.

The results will be reviewed at the end of the Eighth Five-Year period (1991-95).

Nation Seeks To Boost Coal Exports

OW1306133994 Beijing XINHUA in English 1256
GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—China has decided to become more active on world market to increase coal exports in the next few years.

Jing Tianliang, president of the China National Coal Industry Import and Export Corp. (CNCIE), said that China's coal export this year is expected to exceed 20.2 million tons, hitting a new record.

By 2000, he said, China's coal export is estimated to be more than 30 million tons.

Jing's company, specializing in handling coal exports, was founded in 1982, when only about 6.4 million tons of Chinese coal was sold abroad. However, China's coal exports have since increased by an average 1.4 million tons, or ten percent, each year to reach 20.2 million tons in 1992.

The aggregate export in those ten years amounted to 160 million tons, worth more than 5.9 billion U.S. dollars, Jing said.

However, Jing termed such a volume as "inappropriate to China's status as the world's leading coal producer". In 1993 China's coal production stood at 1.14 billion tons, ranking first in the world, its exports accounted for only 1.6 percent; the coal trade volume in the world the same year was nearly 420 million tons, China had a barely 4.5 percent market share.

Under these circumstances, Jing said, China should join in the competition in the world market to enhance its profile. This will contribute to the development of China's coal industry, as well as its economic growth, he added.

The domestic coal market remains stagnant while the demand on the world market is beginning to revive. From January to May this year CNCIE exported 8.6 million tons of coal, which Jiang said was an encouraging sign.

Market analysts predicted a reasonable increase in coal demand around the world, especially in Asia, in the coming years. This will push prices up, they said.

CNCIE said it would carry out a multi-polarized export strategy and make use of flexible trade methods. "We will try every method as long as it helps to increase coal exports; we will be open and equal to every customer, whether new or old," Jing said.

The corporation has won the confidence of customers in nearly 20 countries and regions, including Japan, South Korea, France and Italy. Its exports are conducted mainly through long-term contractual trade, with Asia being its principal market target.

Jing said his company will work jointly with modern coalmines such as Datong, Pingshuo, Yanzhou and Zaozhuang, which are prominent among other things in terms of mining conditions and economic efficiency, to build coal export bases.

For example, he said, the coal mined in Yanzhou, in east China's Shandong Province, is famous for its good quality, low ash and sulphur contents and high caloric value.

However, he acknowledged that China still has a long way to go before it can catch up with the world's leading coal exporters such as Australia, the United States, South Africa and Canada.

"We must raise coal quality, improve transportation, port storage and ship loading, and harmonize every link in the chain from coal production to export, so as to make China's coal more competitive on the world market," he said.

Ministry Publishes Redemption Dates for Treasury Bonds

OW1306131494 Beijing XINHUA Domestic Service in Chinese 0542 GMT 13 Jun 94

[Text] Beijing, 13 Jun (XINHUA)—The Ministry of Finance has issued a public notice on redemption of treasury bonds which mature in 1994.

The public notice says: The treasury bonds sold in 1991 may be redeemed from 1 July to 30 September. Mature treasury bonds may be redeemed at any financial, banking, and postal offices; urban and rural credit cooperatives; and securities companies (securities department).

Special treasury bonds sold in 1989 to enterprises, institutions, and the organizations managing retirement pension funds and unemployment insurance funds become mature five years after the month of issuance. Mature special treasury bonds may be redeemed at the financial departments at various levels from 1 June to 30 November.

The public notice says: Unredeemed treasury bonds which matured in previous years may also be redeemed this year. After the aforesaid redemption periods, mature treasury bonds may be redeemed all year round at designated offices in various localities.

All the treasury bonds sold to official organizations during 1981-1984 became mature on 1 March 1994, and they should be redeemed before 31 December 1994.

Farm Machinery Industry Suffers Record Losses

HK1206062794 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 12-18 Jun 94 p 8

[By Yun He: "Farm-Machine Sales Dive, Losses Pile Up"]

[Text] China's farm machinery industry is suffering record operational losses, according to the Ministry of Machinery Industry.

So far this year manufacturers of farm machinery have lost more than 106 million yuan (\$12.2 million) because of slow sales.

Officials with the ministry's information and statistics bureau said that during the first five months of this year the industry's output was valued at more than 17.3 billion yuan (\$2 billion) or 34.5 percent of the year's target of 50 billion yuan (\$5.75 billion).

However, they added, the production growth was 13.1 percent less than the same period last year.

At the same time, sales have fallen 24.6 per cent from a year earlier.

The ministry's analysts say the industry's products simply are not competitive.

Because the prices of farm machines have risen under the government's new tax system, farmers prefer to fix up their old machines or even do farmwork by hand.

Sales of the industry's mainstay products—such as large and medium-sized tractors, engines, combine harvesters and water pumps—have all dropped from last year. The worst hit are combine harvesters, whose sales have fallen by half.

Government officials have started to show signs of worry that the slow sales may hinder agricultural production this year.

Although some machines are already too expensive for farmers, some manufacturers want to raise prices even further. They argue that higher prices are justified by higher costs, chiefly more expensive production materials and greater tax burdens.

The high price of diesel oil is another reason farmers are not buying machinery. A ton of oil now costs more than 1,453 yuan (\$167), up 365 yuan (\$42) from last year.

In Jilin Province, one of the country's major grain producers, so many farmers are doing their work manually that the amount of farmland ploughed by machine has shrunk to 1.2 million hectares, 27.7 per cent less than in 1991.

There is an exception to the dismal market, however. The Ministry of Machinery Industry says that factories in Shanxi Province are selling 45.2 percent more farm machinery than last year. The reason is simple: They are concentrating their production on the simple and inexpensive two-wheel tractors, which are very popular among Shanxi's farmers.

East Region

Anhui Province Reportedly Reaps 'Bumper' Harvests

OW1306140394 Hefei ANHUI RIBAO in Chinese 5 Jun 94 p 1

[Unattributed Report: "Anhui Reaps Summer Grain Harvest"]

[Text] This year, the output of Anhui's midseason grain and edible oil crop is better than expected. Anhui is expected to reap another bumper wheat harvest this year, following that of last year. Though hit by many natural disasters, the province is still expected to reap a good rapeseed harvest, thanks to the expanded acreage for rapeseed. The midseason harvest will lay a solid foundation for the healthy and steady development of this year's rural economy and even for the entire national economy.

According to statistics, the province is expected to reap summer grain this year from 2,121,300 hectares out of the sown 2,148,700 hectares, registering a reduction compared to the previous year. Despite this, gross summer grain output is expected to post a slight increase over the previous year and to become the second-highest record year in history, thanks to the joint efforts of all in the province. This year's summer grain bumper harvest did not come easily. The major reasons behind the bumper summer grain harvest are as follows: First, Anhui conscientiously implemented the economic policies for rural areas worked out by the central government; mobilized farmers' enthusiasm for farming; increased investment for midseason production; and enhanced field work management. Second, weather conditions during the summer grain growing period were generally favorable. The warm winter was favorable as it allowed summer grain to survive; it enabled it to grow smoothly and quickened the turning green of wheat after spring. Summer grain seedlings grew well after spring. In addition, high temperatures in the mid and late growing period, and favorable sunlight, temperatures, and water conditions were favorable for the ripening of wheat, increasing the weight of summer grain, and for raising unit output. Third, plant diseases and insect pests were not serious. As a solid job was done in the prevention of plant diseases and insect pests, the harm to summer grain was reduced considerably. Fourth, the campaign to promote high output resulted in enlarged acreage and a balanced increase in the output of summer grain. The province set up various types of high-output demonstration farms whose acreage totals 133,000 hectares. Fifth, all levels of government and agricultural departments enhanced leadership and guidance over midseason production.

Of the 891,200 hectares of sown rapeseed acreage, nearly 130,000 hectares were hit by frost earlier this year and had to be abandoned. Because localities made timely replanting, it is estimated that at present the harvested

acres for rapeseed total 786,700 hectares, 33,000 hectares more than the previous year. Having been hit by storms and high temperatures, the province's rapeseed harvest is down slightly, judging from localities' reports; but this year is still a good year for rapeseed output. At present, harvesting and thrashing of rapeseed have been completed. Harvesting and thrashing of summer grain is in the final stages. While stepping up harvesting, localities are striving to store all harvested grain in warehouses and to reap a bumper summer grain harvest.

Shandong Deals Blows to Maritime Offenders

SK1406031894 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 13 June 94

[Text] SHANDONG QINGNIAN BAO, published on 13 June, carries an article that discloses that since the beginning of this year, the province's armed border defense police forces have dealt strict blows to coastal and maritime offenders. They have captured 151 criminals and cracked down on 169 cases of various categories, obviously improving the public security and social order of coastal areas.

Shandong Farmers Show Renewed Interest in Cotton

OW1206012594 Beijing XINHUA in English 0107 GMT 12 Jun 94

[Text] Jinan, June 12 (XINHUA)—Cotton growers in Shandong province have shown renewed enthusiasm for the crop because of this year's enhanced price for cotton and new, effective pesticides.

This province in east China claims the biggest cotton output in the country.

According to officials from the provincial agriculture department, the growing area for cotton this year has reached over 900,000 ha so far, compared with 533,000 ha last year.

This year, the government has increased the price by tens of yuan for every 50 kilos of cotton.

The province is expected to have a bumper cotton harvest this year.

Its normal, annual output accounts for one fourth of the country's total.

Shanghai Stepping Up Social Order Strengthening Effort

OW1306134494 Shanghai JIEFANG RIBAO in Chinese 7 Jun 94 p 3

[Unattributed Report: "Municipal Committee for Comprehensive Management of Social Order Maps Out Plans for Improving Social Order in the Summer and Calls For Intensified Efforts To Check the 'Six Vices'"]

[Text] The Shanghai Municipal Committee for the Comprehensive Management of Social Order held its 12th plenary session yesterday to map out plans for cracking down on criminal activities by hooligans and for improving social order in the summer. Wang Liping, deputy secretary of the municipal party committee and chairman of the municipal committee for the comprehensive management of social order, spoke at the meeting.

Wang Liping said: In recent years Shanghai has taken tough and resolute measures to check activities in connection with the "six vices," and we have received favorable comments from people at home and abroad. However, in some places the activities have continued despite efforts to check them. Therefore, all localities and departments should pay attention to this situation and intensify efforts to crack down on such activities. Wang Li Ping stressed: Once discovered, prostitution, gambling, drug abuse, drug trafficking, persons engaged in spreading pornographic publications and products, and owners of public entertainment facilities trying to seek customers by means of sex must be resolutely investigated and punished according to law. In dealing with criminal elements and gang leaders who refuse to repent despite repeated education, it is necessary to apply the principle of meting out severe punishment promptly. The practice of replacing penalties with a fine or replacing education with a fine shall not be permitted in dealing with these people. Criminal elements who have been found to assist or protect "six vices" activities, and party cadres who participate in prostitution activities must be investigated and severely punished. Law-enforcement departments must resolutely resist the practice of pleading for mercy for somebody and strengthen overall control over and day-to-day management of public entertainment facilities. Resolute measures must be taken to close down public entertainment facilities that operate in violation of the law and that have refused to reform themselves after repeated warnings. All public entertainment facilities must observe and abide by the provisions governing the management of social order. In Shanghai, under no circumstance shall we allow the existence of a place that is beyond the reach of the law. Participating in the meeting were Zhu Daren and Gu Nianzu, vice chairmen of the municipal committee for the comprehensive management of social order, and leaders of various districts, counties, departments, commissions, and offices who are also members of the municipal committee for the comprehensive management of social order.

Shanghai Increases Spending on Agriculture

OW1106074494 Beijing XINHUA in English 0717
GMT 11 Jun 94

[Text] Shanghai, June 11 (XINHUA)—Shanghai, the leading industrial center in China, has increased input in agriculture to ensure the growth of grain production and vegetable supplies for its urban residents.

Shanghai has five million farmers on its outskirts.

The municipal government has allocated a sum of 1.317 billion yuan for agriculture during the 1990-93 period averaging 440 million yuan a year.

A municipal official in charge of agriculture said that the funds have been used mainly in farm capital construction including enclosing tideland for cultivation, building irrigation facilities, setting up modern farming zones and improving livestock.

Central-South Region

Li Peng Expresses Concern For Flood Stricken Guangdong

OW1306135894 Beijing XINHUA in English 1346
GMT 13 Jun 94

[Text] Beijing, June 13 (XINHUA)—Six cities in south China's Guangdong Province were hit by floods, with reports of 58 deaths and 684 injuries last week.

Premier Li Peng on Sunday [12 June] expressed his concern over the floods and urged the people in the flood-stricken areas to overcome difficulties in their struggle.

From June 8 to 9, heavy storms brought on by a typhoon hit Zhanjiang, Maoming, Yangjiang, Zhaoqing, Foshan and Guangzhou cities.

Once 440,000 people were stranded by the floods, and 8.09 million people were affected.

The Army and Armed Police rushed to rescue the stranded people. So far, all the stranded people have got rid of danger.

A government official said that the floods destroyed about 530,000 hectares of crops.

He said that direct losses from the floods in Guangdong were about 5.8 billion yuan.

Flood relief work is still going on in Guangdong.

East China's Zhejiang Province was also hit by storms and floods.

Waters in the Qiantang and Pujiang Rivers exceeded warning levels.

About two million people in 10 counties were affected by the floods.

Guangdong Industrial Output Rises Jan-May

HK1006130294 Guangzhou Guangdong People's Radio
Network in Mandarin 1000 GMT 9 Jun 94

[Text] According to the latest statistics issued by the provincial statistics bureau, from January to May this year, our province's accumulated total industrial production exceeded 193.8 billion yuan, an increase of 23.2

percent over the same period last year. During the first five months of this year, although industrial enterprises in our province encountered numerous difficulties in production and operations, statistics show that industrial production in our province is still advancing along a favorable path. Production and sales rates of our industrial enterprises increased each month. Their production and sales rate in May reached 95.8 percent, and the sales volume of their products on both domestic and international markets rose gradually.

As a result of this year's implementation of the policy of unifying foreign exchange rates, the enthusiasm of enterprises and relevant departments has been aroused. This has enabled the increased output value of export products to exceed growth in total industrial output value for the first time, and the margin of the increase was 8.4 percentage points.

At present, an electronics products structure has been formed in our province, mainly consisting of electric appliances, such as air conditioners and hi-fi equipment. The extensive application of high technology is gradually changing low efficiency.

Guangdong Province Reports 'Sustained Economic Growth'

OW1006213294 Beijing XINHUA in English 1447
GMT 10 Jun 94

[Text] Guangzhou, June 10 (XINHUA)—Guangdong Province, a rising economic giant in south China, has achieved sustained economic growth, a provincial government spokesman said here today.

Addressing a news conference today, the spokesman said that Guangdong scored a 15 percent increase in the gross domestic product (GDP)—the value of goods and services produced—in the first quarter of 1994.

He predicted that Guangdong's GDP will rise 16 percent in the first half of this year over the same period in 1993.

He cited the following figures to illustrate Guangdong's rapid economic growth during the January-April period this year:

- Industrial output value reached 125.3 billion yuan, up 22.5 percent;
- Retail sales amounted to 51.86 billion yuan, a 32.5 percent increase, six percentage points higher than the nation's average;
- Exports soared 115 percent to 11.47 billion U.S. dollars;
- Imports shot up 104 percent to 7.6 billion U.S. dollars; and
- Investments in fixed assets by state-owned enterprises and institutions totaled 21.6 billion yuan, up 40 percent, with growth rate down 78 percentage points from the same period in 1993.

The spokesman said that the reform of the foreign trade system had brought in a greater inflow of foreign investments into Guangdong.

For example, Guangdong used a total of 4.09 billion U.S. dollars in foreign funds in the first five months of 1994, nearly 38 percent higher than in the same period last year.

Guangxi Leader Urges Stronger Price Control Efforts

HK1106021594 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 9 Jun 94

[Text] Since April of this year, Guangxi has carried out a regionwide commodities prices examination and achieved some initial results in connection.

By early May, Guangxi had investigated a total of 1,427 price-related cases, confiscated illicit incomes totaling 27.62 million yuan, handled a total of 1,043 price-related cases, and collected price-related fines totaling 2.4 million yuan.

In view of a series of problems exposed during the region's commodities prices examination, including an unbalanced crackdown on price-related cases, ineffective measures against price-related cases, slack regulation and control of daily necessities and services prices, and so on, the regional people's government held a regional prices examination work conference in Nanning on 9 June.

Liu Xueyue, regional people's government secretary general, said in his speech to the conference that the second-stage of the regional commodities prices examination will be directed at certain basic daily necessities, production means, and services prices, including grain, chemical fertilizer, agricultural goods and materials, electricity, and so on.

With regard to grain and other basic necessity prices, Liu noted that conscientious efforts should be made to implement the state grain prices reform plan and relevant measures, market prices control measures, and so on. The whole region should strictly control price hikes, especially those relating to bus and train fares; prohibit enterprises and operators from raising chemical fertilizer prices, agricultural goods and materials prices, and electricity prices without state approval; and prohibit enterprises and operators from altering state guidance prices as well as other prices set by the state, such as, prices set by the State Council or the regional people's government. Moreover, Liu stated that the whole region should strive to implement to the letter a series of preferential prices set by the state for farm and sideline products and prohibit relevant units from raising basic services prices, such as, rent, water prices, electricity prices, bus fares, and telephone charges.

Hunan Attracts Foreign Investment in Agriculture
*HK1006123094 Hong Kong HSIN PAO in Chinese 7
Jun 94 p 23*

[Article by Lu Hsiang (7627 3276): "Hunan Gives Preferential Treatment to External Businessmen Investing in Agricultural Development"]

[Text] Being an interior province, Hunan still lags behind the coastal provinces in the use of foreign funds, but being referred to in history as a land of fish and rice, it has many favorable conditions for agricultural development. In order to attract Hong Kong and foreign investors, the Hunan Provincial Government recently formulated new regulations and offered more favorable conditions to them.

Hong Kong and foreign businessmen are encouraged to make investments in the following projects: 1) The construction of basic agricultural facilities; 2) The planting and raising of high-yield and good-quality crops and animal breeds; 3) The development of forestry; 4) The development of aquaculture; 5) Tests and application of modern agricultural techniques and technologies; 6) Processing of farm, forest, animal, and fishing products; and 7) other export-oriented agricultural development projects.

External businessmen may make investments or may carry out cooperation in the form of providing funds, materials, industrial property rights, patented technologies, or other property rights. The Chinese side may make investments or may carry out cooperation by means of providing funds, land assets or land use rights, plants, equipment, technologies, crops, forests, water resources, and other property rights.

If external businessmen want to make independent investments to run crop, forest, animal, and fishing farms, they may do this by going through the formalities for the transfer of the land use rights. After acquiring the land use rights, the external investors will be able to carry out their development projects, and they also may transfer the land use rights to other people after they fulfill the requirements of the first transfer contracts. If external businessmen independently develop collective agriculture, forestry, animal husbandry, and fishery, they may go through the formalities according to the contracts on the use of collective land, but the collective land cannot be resold.

When external investors use state-owned land to launch their development projects, the longest term of land use may reach 50 years. The land use contracts may be extended if the same land is still in use. If external investors use state-owned land to launch development projects in the fields of agriculture, animal husbandry, and fishery, they may be exempted from paying land use fees for 10 to 15 years as of the date of approving the land use. If the land is used to develop forestry, the term of exemption may be 20 to 30 years.

In their investment in agricultural development projects, external businessmen also may enjoy the following favorable taxation arrangements:

First, when foreign investors launch developing agricultural projects or introduce improved varieties and animal breeds recognized by the provincial government to separated test zones, their income from the test cultivation in the process of scientific research will be exempted from local taxes for a certain period of time.

Second, the improved seeds, seedlings, stud stock, feed, medicine for protecting plants and animals, and the tools and equipment for processing farm products imported by the enterprises with external investment for the purpose of exporting farm products will be free from customs tariff.

Third, a reasonable quality of materials and appliances used by the external staff of the enterprises with external investment in their daily lives are free from customs tariff.

Fourth, with the approval of the customs authorities, the agricultural development zones may set up comprehensive bonded warehouses and bonded factories. The goods imported to such bonded facilities are completely free from customs tariff. The farm products for further processing shipped by the chain enterprises and for indirect export are free from customs tariff.

If the products are related to export licenses and export quotas, the external investors may apply for such licenses and quotas from the authorities in charge of foreign trade, which first will meet the needs of foreign-funded enterprises involved in developing agricultural projects in the issuance of export licenses and quotas.

The provincial government also requires in the regulations that local governments at all levels, as well as relevant departments, offer effective assistance to external investors involved in agricultural development projects, and help them solve problems in their production and daily lives, and guarantee their legitimate rights and interests.

Southwest Region

Sichuan Migrant Laborers Become Bosses

*OW1306024494 Beijing XINHUA in English 0233
GMT 13 Jun 94*

[Text] Chengdu, June 13 (XINHUA)—Tens of thousands of migrant laborers in the rural areas of southwest China's Sichuan Province have now become bosses in various forms of business.

According to the Sichuan Rural Labor Management Department, Sichuan has 5 million migrant laborers all over the country and last year the income from labor services in Sichuan reached about 10 billion yuan.

An official of the department said that the number of self-employed households and private enterprises totals more than 1.6 million.

About 10 percent of the bosses of these businesses are former migrant laborers.

In recent years, many of the migrant laborers applied their experience and technology gained from their labor services in other provinces, even in foreign countries, to economic development in their home villages.

They opened their own businesses and served as "managers", "directors" and even "chairmen of the board of directors".

Ma Zhizhen, director of a cement packaging factory in Pengshan County, was once a baby-sitter in Chengdu city. She collected all her savings from her work and set up her factory in the early 1990s.

With the rapid growth of the profits and fixed assets of her factory, in 1992, she jointly set up a rubber products company with a Hong Kong investment firm and hired over 200 laborers in her village.

Last year, the profits and taxes of Ma's new factory reached more than 2 million yuan.

In Tiangong Township of Langzhong city in northern Sichuan, a forest park was recently set up along the dike of the Jialing River by a young farmer named Zhao Xiaorong.

The 28-year-old Zhao collected more than 1.2 million yuan for the project, which also has holiday accommodations.

Now the park has opened to the public with swimming pools, entertainment facilities, traditional-style tea rooms and a tavern.

Zhao worked in Shenzhen city for a decade before 1992.

"The migrant labor brought me opportunities to make money and gain skill in management," he said.

In Guang'an County, Liu Yanlin, a 29-year-old millionaire, built his fortune from being a migrant laborer in Shenzhen and Henan in the past decade.

He now manages Chuanhui Hotel in Huizhou city, Guangdong Province, and his annual taxes to the state exceed 100,000 yuan.

He has donated more than 1 million yuan to the primary and middle schools in his hometown.

Gyaincain Norbu Speaks on Various Issues

Stresses Religious Work

OW1006133794 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 18 May 94

[Text] Listeners, we now broadcast excerpts of the government work report delivered by Chairman Gyaincain Norbu at the second session of the Sixth Tibet Autonomous Regional People's Congress on religious work towards ethnic groups and achievements in the construction of democracy, legal system, and spiritual civilization in the first part of the report—Review of the Work in 1993.

The government work report noted: National unity was further enhanced. Cadres from ethnic groups increased soundly. The study, use, and development of written and spoken languages of nationalities continued to receive attention. The construction of the Great Stupa and Memorial Hall for the 10th Bainqen was completed and a solemn inauguration ceremony was held. The management of religious affairs was strengthened and the regime and procedures on the administration of temples were worked out. In the meantime, efforts were made to guide a large number of people professing religious beliefs to contribute to social stability and economic development. Thanks to the profound concern and direct guidance of the CPC Central Committee and the State Council as well as the joint efforts of party and government organizations across Tibet, work for carrying out policies had been completed. During the period from 1980 to 1993, a total of 220 million yuan was spent for carrying out various policies, including nearly 100 million yuan for temples.

The autonomous regional people's government has conscientiously implemented resolutions adopted by the regional people's congress and its standing committee and actively subjected itself to supervision. It has earnestly handled motions submitted by people's deputies and members of the regional committee of the Chinese People's Political Consultative Conference as well as letters and visits from the people.

The autonomous regional people's government has submitted six local laws and regulations to the regional people's congress for examination and approval, and drawn up a number of administrative regulations. It has extensively launched a campaign for popularizing the laws; thus constantly enhancing legal concepts of the broad masses of cadres and people. The competition in creating model dual-support counties and cities, the joint armymen-policemen-civilian activities of constructing and creating spiritual civilization, and the work of resettling and giving special care to dependents of revolutionary martyrs and servicemen have made new progress. The education aimed at nurturing a new type of citizen with high ideals, moral integrity, a better education, and a strong sense of discipline and characterized

by patriotism, socialism, and Marxist national and religious concepts was further popularized in depth. New achievements have been made in constructing socialist spiritual civilization.

Stresses Reform, Economic Development

OW1006142094 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 19 May 94

[Text] Listeners, we have broadcast excerpts of the first part—Review of the Work in 1993—of the Government Work Report delivered by Chairman Gyaincain Norbu at the second session of the Sixth Tibet Autonomous Regional People's Congress in this program in the past few days. Beginning today, we will broadcast excerpts of the second part—Exercise Greater Efforts in Reform and Promote Sustained, Rapid, and Healthy Economic Development.

Chairman Gyaincain Norbu said in his report: The year 1994 is crucial for Tibet to promote reform in all fields as a whole, make breakthroughs in key areas, and accelerate the establishment of a socialist market economic structure. The guiding principles for the government's work are: Taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guidance to comprehensively implement the guidelines of Third Plenary Session of the 14th CPC National Congress and the Fifth Enlarged Plenary Session of the Fourth Tibet CPC Autonomous Regional Committee; seizing the opportunity; deepening reform; opening wider to the outside world; promoting development; maintaining stability; continuing to improve microeconomic regulation and control; stepping up the infrastructure construction; vigorously restructuring the economy; avoiding exaggerations of economic results; and promote sustained, rapid, and healthy economic development in Tibet.

This year, all kinds of work must serve the overall situation of reform, development, and stability; reform must be made to dominate the overall situation. In restructuring the economy, Tibet must uphold the criteria of productive forces, seize the opportune time, promote the reform as a whole, make breakthroughs in key areas, and keep our framework and systems consistent with those of the state. Proceeding from the actual situation in Tibet, we must act firmly, carry out policies flexibly, and take each step steadily and properly. Governments at various levels should meticulously carry out various reform measures which have been launched and do a solid job in all areas.

Stresses Increased Farm Development

OW1106042194 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 20 May 94

[“Excerpts” of Government Work Report delivered by autonomous regional Chairman Gyaincain Norbu at the

Second Session of the Sixth Tibet Autonomous Regional People's Congress; from the “News” program—read by announcer]

[Text] In his report, Chairman Gyaincain Norbu said: For some time to come, the guiding principle governing economic development in farming and pastoral areas is to deepen reform, rely on scientific and technological progress, increase investment, make better use of our resources, readjust the industrial structure, quicken the pace of eliminating poverty, increase peasants' and herdsman's incomes in keeping with the need to establish a socialist market economic system. We will continue to stabilize and improve the policy that will remain unchanged for a long time to come—that of letting farmers cultivate land independently and herdsman own the domestic animals they raise and conduct their own management. We will also institute measures to ensure that land acreage will not change with the increase or decrease in the number of people working on it; implement a licensing system for grassland utilization; clearly define grassland utilization rights; and gradually institute the system of transferring, on a voluntary basis, the right to use land and grassland in return for payments without changing the ownership and designated uses of land and grassland. We should increase the proportion of fiscal and credit input in fixed assets related to agriculture and animal husbandry, and will encourage collectives and individuals to increase input in agriculture and animal husbandry.

In accordance with market demand, we will revamp the crop and plant cultivation structure while ensuring steady increases in grain output, focusing on the Yarlung Zangbo-Lhasa-Nyang Qu Valley and the Nyang He Valley. We will gradually switch to a three-crop structure based on grain, cash, and feed crops. We will make active efforts to develop animal husbandry in rural areas, promote local grain conversion, and speed up the construction of bases for fattening cattle and goats.

In his report, Chairman Gyaincain Norbu noted: In developing village and town enterprises, we should proceed from local conditions, map out rational and overall plans, and concentrate such enterprises in cities and towns where energy supplies are assured, transportation facilities are developed, and the economies are relatively brisk. In accordance with market demand and local resources, we should launch projects geared to whichever sector can be developed. We should organize production and management in whichever way is beneficial to development. Localities with the right conditions may set up joint enterprises across township and county lines. The departments concerned should lend full support to the development of village and town enterprises in terms of capital, technology, manpower, and information, and provide sound guidance and service.

The report said: With the marketing of newly harvested grain this year, we will increase the procurement prices of wheat and rapeseeds. After adjusting the price of chemical fertilizer, we will convert into direct subsidies

for peasant households any funds made available as a result of reduced subsidies to agriculture-supporting enterprises as compensation for policy-induced losses. Both the autonomous region and all prefectures, cities, and counties should establish risk-control funds for agriculture and animal husbandry, and ensure the sustained development of these two sectors.

The autonomous region has created a leading group for aid-the-poor projects, which will specifically take charge of aid-the-poor projects across the region. It will actively aid the poor through development, science and technology, and resource exploitation so that a number of people will be lifted out of poverty within specified periods and become better-off gradually.

Stresses Deepened Fixed Asset Investment

OW1106120094 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 21 May 94

["Excerpts" of the government work report delivered by Tibet Autonomous Regional Chairman Gyaincain Norbu at the Second Session of the Sixth Tibet Autonomous Regional People's Congress—from the "News" program]

[Text] Discussing the tasks of 1994, the report points out: In stepping up construction of the infrastructure, we should deepen the fixed asset investment reform and gradually set up a system under which investments are diversified to several sources and decisions are made at different levels. Based on the demand for using society's fixed asset investment, on the investment scope of various investment sources, and on the economic and social benefits and the markets of different projects, investments will generally be allocated to competitive, infrastructure, and public welfare construction projects. Financial investment activities for the construction and operation of competitive projects should be carried out in the market and decided by the enterprises themselves, while investment in infrastructure and public welfare construction projects should be made mainly by the state and the autonomous region. Regional budgetary appropriations should be invested primarily in the construction of agriculture, animal husbandry, transportation, energy, posts and telecommunications, and other infrastructure facilities, as well as in education, science and technology, urban, and other public welfare facilities.

The report says: The regional budgetary investment in fixed assets this year has increased 50 million yuan compared to 1993. This is the maximum amount that the region can afford to make in view of Tibet's financial straits. Priority should be given to key projects already under construction, as well as agriculture, animal husbandry, energy, transportation, posts and telecommunications, and other infrastructure facilities. Particular attention must be paid to ensuring adherence to the construction schedule for and the quality of the renovation of the (Yanghuchalong) power station; the revamping of the Qinghai-Tibet, Sichuan-Tibet, and

China-Nepal highways; the repair of the (Fangda) airport; and the comprehensive agricultural development project for the Yarlung Zangbo, Lhasa, and Nyang Qu River Valleys. We should deepen the enterprise reform and continue to implement the regulations for changing the operating mechanisms of state-owned industrial enterprises and the regional procedures for implementing these regulations, seeing to it that enterprises can exercise their autonomy in a true sense. We should optimize the organizational structure of enterprises through amalgamation, separation, shifts to other lines of production, and the establishment of enterprise groups. We should expedite the exploitation and utilization of resources to transform our advantage in resources into economic advantage. We should continue to pay close attention to the development of animal, forestry, and mineral products while increasing the variety, expanding the scale, and increasing the value added to products through intensive processing.

Stresses Expanded Foreign Trade, Tourism

OW1106113294 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 22 May 94

[Report on government work report delivered by Tibet Autonomous Regional Chairman Gyaincain Norbu at the Second Session of the Sixth Tibet Autonomous Regional People's Congress; from the "News" program]

[Text] Discussing Tibet's opening wider to the outside world and efforts to develop foreign trade and tourism, Chairman Gyaincain Norbu pointed out in the government work report: In further reforming the foreign economic and trade system and establishing foreign trade operating mechanisms in keeping with the needs of a market economy, we should adhere to such principles of reform as unified policies, liberalized operation, competition on equal terms, responsibility for one's own profits and losses, the integration of industry and trade, and the promotion of the agent system. We should focus the reform on, first of all, implementing, together with other parts of the country, a single foreign exchange rate; on abandoning mandatory plans on foreign exchange receipts and payments in the export trade, as well as the system of foreign exchange retention and delivery; and on introducing the system of settling and selling foreign exchange by banks. Second, we should formulate and perfect preferential policies to encourage exports. Third, we should accelerate the pace of changing the operating mechanisms of foreign trade enterprises, in linking their wage, bonus, and distribution system with their economic efficiency in earning foreign exchange through exports. Fourth, we should grant foreign trade autonomy to qualified productive and circulation enterprises and set up a number of comprehensive foreign trade companies. Fifth, we should strengthen and improve macroeconomic regulation and control in foreign trade and establish a sound foreign trade operating order.

In seeking to develop foreign trade and economic relations, we should pay particular attention to the work in

the following aspects: We should rely on the region's resources in actively promoting the exports of agricultural, animal, native, and special products; ethnic handicrafts, and souvenirs for tourists. We should bring into play the frontier's advantage and improve the facilities of the existing trading ports. While expanding foreign trade, we should take the initiative to cooperate with neighboring countries in various fields; ensure the coordination of production, processing, and exportation links; and accelerate the integration of foreign trade, industry, agriculture, and technology. We should improve the investment environment in order to attract more businessmen to invest in Tibet, and we should explore various ways of absorbing foreign capital. To increase foreign exchange earnings through exports, we should continue to carry out regional cooperative projects, joint ventures, cooperation in related fields, materials exchanges, and the construction of joint export commodity production bases with enterprises in the hinterland.

In seeking to promote tourism, we should, in centering on quality and efficiency, pay close attention to the resources of tourism markets and the development of commodities. We should open up new tourist routes and areas, and gradually set up a system of connecting tourist points, routes, and areas. Moreover, we should actively develop special tourist courses in mountaineering, exploration, and scientific surveys so as to strive to achieve breakthroughs in this year's number of tourists, tourism business volume, and tourism foreign exchange earnings.

We should attach importance to and strengthen the work related to foreign affairs. We should actively coordinate with the state's overall diplomacy in ensuring a good job in border supervision, consular and foreign affairs, protocol, and cooperation with friendship cities. We should seek to create a sound peripheral environment and continuously expand contacts with foreign countries so as to promote Tibet's reform, opening up, and economic construction.

Tibet Develops Economic Ties With Inland Provinces

OW1306131394 Beijing XINHUA Domestic Service in Chinese 2102 GMT 12 Jun 94

[By reporter Ning Shiqun (1337 0013 5028)]

[Excerpts] Lhasa, 13 Jun (XINHUA)—The development of a market economy has served as a string to tie up lateral economic cooperation between Tibet and the inland. Lateral exchanges at different levels and in all domains have helped Tibet usher in a market economy.

According to incomplete statistics, from 1985 to 1993, Tibet and inland provinces and regions reached agreement on over 600 economic and technical cooperation projects, which involved 700 million yuan in cooperation funds, the transfer of nearly 2,000 skilled personnel to Tibet, and the import of materials worth over 500

million yuan. With annual profits of 70 million yuan, these projects have produced rather good economic returns. [passage omitted]

Tibet has imported equipment, technology, and management know-how to upgrade existing enterprises. From 1985 to 1993, the autonomous regional economic cooperation office approved over 100 technical cooperation projects, of which over 50 have been implemented. This has helped upgrade the level of Tibet's manufactured goods.

Thanks to the barter of materials in connection with economic cooperation, steel products, automobiles, color televisions, cigarettes, brown sugar, tea, and butter have been brought into Tibet. This has improved market supply and made life easier for the people.

Credit funds have been utilized to expand cooperation. With the approval of the People's Bank's head office, in 1988 Tibet set up special credits totaling 200 million yuan for lateral cooperation. Close to 100 funding-cooperation projects involving over 500 million yuan in cooperation funds were implemented from 1988 to 1991, yielding an annual profit of 80 million yuan, of which 10 million yuan went to the enterprises.

Since the first forum of the CPC Central Committee on work in Tibet in 1980, state ministries and commissions and over 20 provinces and regions have offered assistance to Tibet in terms of know-how, finance, and materials. While jointly developing resources, they have passed on technology, provided technical training, and helped Tibetan enterprises raise management levels. Following the second forum on work in Tibet, nine provinces and municipalities including Jiangsu, Zhejiang, and Shandong helped Tibet build another 43 projects.

Tibetan Farmers Pursue 'Courtyard Economy'

OW1006132594 Beijing XINHUA in English 1241 GMT 10 Jun 94

[By XINHUA correspondents Luobu Ciren and Bai Bin]

[Text] Lhasa, June 10 (XINHUA)—Yixi Cezheng, a 60-year-old Tibetan woman earns more than 2,000 yuan a year by selling apples, grapes and Chinese prickly ash grown in her courtyard.

Yixi lives in Nangxian County, Nyingchi Prefecture, in the eastern part of the Tibet Autonomous Region.

Although Tibet is located on the roof of the world, Nangxian, Bowo, Mainling, Medog and other counties of the prefecture lie at an altitude of less than 3,000 meters above sea level.

Farmers in the prefecture, known as the key regional production centers for fruit and pork, have a tradition of cultivating their courtyard economy.

"I was inspired by the high cost of transport of dried fruit from outside to Tibet to expand my orchard and sell fruit on the local market," Yixi said.

Almost all families in Nangxian County now have fruit trees and many bring the fruit to nearby counties to exchange for wool and meat.

A survey shows that the income from the courtyard economy accounts for one fifth of the gross income in the rural county.

Farmers in Bowo County, on the Sichuan-Tibet Highway, are more enthusiastic about raising livestock.

Dogye, a farmer in Xumo Township, Bowo County, obtains more than 7,000 yuan a year from raising 40 pigs annually.

"It is common for a family to raise some 50 pigs a year in my hometown, just like me," he said.

In addition, farmers in this area have more than 30,000 apple and walnut trees and produce 550 tons of dried and fresh fruit a year.

The gross income from the courtyard economy in Bowo County, with a population of less than 20,000, amounted to about six million yuan in 1993.

An official of Nyingchi Prefecture said that the income of farmers and herdsmen in the prefecture averaged over 1,000 yuan per capita last year, twice as much as rural people in other parts of the region.

The official attributed the rise of income to the courtyard economy.

The Nangxian County government plans to increase the number of courtyard-planted fruit trees by 23,500 this year by offering saplings purchased from the interior parts of the country to farmers free of charge, as well as technical services.

Gyaca County government has spent 100,000 yuan on buying 80,000 saplings of apple and peach from central Henan Province for its farmers.

It also encourages and helps local farmers to raise pigs and chickens.

Official Predicts 'Baby Boom' During 1997-2000

OW1106075394 Beijing XINHUA in English 0723
GMT 11 Jun 94

[Text] Lhasa, June 11 (XINHUA)—The Tibet Autonomous Region will experience a baby boom during the 1997-2000 period, according to a regional government official.

Tubdain, director of the regional department of public health, said that Tibet's population was expected to rise to 2.5 million from 2.2 million at the end of 1993.

He said that the birth rate in Tibet was 23.4 per thousand in 1993, compared with the nation's average of about 11 per thousand.

"Tibet's population has more than doubled to 2.2 million since the early 1950s," he said, adding that Tibetans account for 90 percent of the region's population.

The region's population rose by 36,000 during the 1992-93 period, he said.

The average life expectancy of Tibetans is currently 65, up from 36 in the early 1950s, he said.

Tubdain said Tibet does not implement the family planning policy in the farming and pastoral areas.

"Another factor was that Tibetans enjoy free medical care," he said.

Natural Gas Resource Found in Yunnan

OW1206031594 Beijing XINHUA in English 0138
GMT 12 Jun 94

[Text] Kunming, June 12 (XINHUA)—A gas blowout occurred on June 1 while a prospecting team were drilling in the Luliang Basin in southwest China's Yunnan Province, proving that the province is rich in natural gas resources.

With an area of 770 square km, the Luliang Basin is 145 km east of Kunming, capital of the province.

Wu Lingying, an engineer of the oil exploration bureau in charge of the prospecting, said that the prospecting began in April this year. No gas or oil had been found in the province before.

Experts say that the well has been gushing out a million cu m of gas every day since June 1.

Wu said that the Luliang Basin is of the Cenozoic Era. The gusher is a breakthrough in Yunnan Province's oil prospecting history.

North Region

Beijing Mayor Inspects Broadcasting Equipment Plant

SK1406041894 Beijing BEIJING RIBAO in Chinese
3 Jun 94 p 1

[By reporter Sun Yushan (1327 3768 1472) and Zhang Yi (1728 5065): "Li Qiyan, Mayor of Beijing Municipality, Investigates the Electronics Industrial Trade for the Third Time"]

[Excerpts] On 2 June, Mayor Li Qiyan went to Beijing broadcasting equipment plant to conduct investigations and study. It was the third time for him to investigate the electronics industrial trade. He pointed out: The electronics industry conforms to the special characteristics

of Beijing. Thus, the municipal government should vigorously support the development of the electronics industry. Enterprises should have accurate ideas, foster lofty ideals, enhance internal strength, and strive to make the electronics industry become Beijing's pillar industry.

Li Qiyuan and other leaders inspected this plant's video-corder production line, general outfitting workshop, and showroom; cordially talked with workers and technicians; and asked them about the production, technical, and marketing situation. [passage omitted]

Li Qiyuan said during the talks: As the capital of a country with a population of 1.1 billion, Beijing, under certain conditions, should make faster development and stride forward toward the orientation of building itself into an internationally large, modern city. Beijing should bring its role as a political and cultural center into better play. To develop the economy, Beijing should develop high technology as well as products without contamination and with less energy consumption so as to suit the special characteristics of the capital. The electronics industry, conforming to the special characteristics of Beijing and being listed as one of the municipality's three major pillar industries, will become increasingly important in the future.

Li Qiyuan said: Beijing has the conditions for developing the electronics industry. Beijing's electronics industrial trade, with a good foundation, made great contributions to the country in the past. This trade has a comparatively powerful science professional and technician contingent and an appropriate equipment foundation. In particular, plant directors and the broad masses of staff members and workers have a good attitude. With confidence and prospects, the leading body of the municipal electronics industrial office is able to undertake the task for rejuvenating the electronics trade. We should stand higher, widen the field of vision, foster higher aspirations, and make Beijing's electronics industry stand among the best in the country and march toward the world. We should use this target to encourage the leading bodies and the staff and workers.

Li Qiyuan stressed: The key to tiding over the electronics industry's difficulties and rejuvenating the electronics industry is to have accurate ideas. We should further emancipate the mind and change ideas. Targets should be higher and attainable. In the next one or two years, we should specifically make efforts, do solid work, and solve the problems one after another. We should treat the money-losing enterprises by looking into both their root causes and symptoms and make real efforts to resolve their problems. It is not easy to eliminate the root causes of the problems. To eliminate them, we must make several years of effort. We should also pay firm attention to eliminating the symptoms and appropriately solve the problems related to the livelihood of the staff and workers.

Li Qiyuan said: The transition from the planned economy to the market economy is a great transformation. So, it is impossible to smoothly realize this transition. There will be enterprises with vitality and ones with deficits through this transition. The municipal government and various overall departments should help enterprises overcome difficulties and solve problems, and push enterprises to markets. We should vigorously help rejuvenate the electronics industry, try every possible means to create a good environment, appropriately provide preferential policies, properly inject working funds to the production enterprises with markets and efficiency, and give them necessary assistance. We should give awards to the plant directors with good performances and the specialists with contributions so as to bring into play the functions of intellectuals. Enterprises should have good leading bodies unite with the science professional and technician contingents and guide all staff members and workers. Simultaneously, the electronics industry should make efforts, work hard to enhance its internal strength, and make itself actually become Beijing's pillar industry.

Li Runwu, vice mayor of the municipality; and Fan Yuanmo, secretary general of the municipal government, joined the investigation and study activities.

Hebei Bank Governor Discusses Banking Reform

SK1306045494 Shijiazhuang HEBEI RIBAO in
Chinese 3 Jun 94 p 2

[By Correspondent Dong Shengju (5516 0524 3515) and Reporter Xiao Shuangsheng (5135 7175 0524): "Enhance Confidence and Advance Steadily—Wan Guoqing (8001 0948 1987), Governor of Hebei's People's Bank of China, Speaks on Reform of the Banking System"—place and date not given]

[Text] How should we implement the principles for banking work to steadily promote the reform of the banking system? We recently conducted an interview with Wang Guoqing, governor of the provincial People's Bank of China, on this question.

Wang Guoqing said: In line with the guidelines of the third plenary session of the 14th party Central Committee, the State Council defined the targets of the reform of the banking system as establishing a macro-regulation and control system of the central bank which is placed under State Council leadership and which implements the monetary policy independently; establishing a banking organizational system under which policy-lending business is separated from commercial banking and which takes state-owned commercial banks as the mainstay and allows the coexistence of diverse monetary institutions; and establishing a unified and open network of money markets which advocate orderly competition and are strictly managed. This is a complicated system engineering project of society, involving not only macroeconomic regulation and control but also microeconomic operation. We should implement it in an active and yet prudent manner.

Speaking on the problems we have encountered in the process to attain the targets of the reform of the banking system, Wan Guoqing said: We are faced with a rare opportunity for our reform and development. We should seize this opportunity to promote reform with a firm confidence. We should also note, however, that the deep-seated contradictions that bring about loss of control of the total amount of credit and serious inflation have yet to be fundamentally resolved; that effective mechanisms for restraint and mechanisms for risk-taking have yet to be established by monetary institutions; and that the tasks to rectify the banking order have yet to be fulfilled. These are the unfavorable factors affecting the reform of the banking system.

In view of this, Wan Guoqing urged: Hebei's banking departments should conscientiously implement the principles for banking work for this year, carry out the various reform measures in line with the unified arrangements of the state, and comprehensively fulfill the tasks of banking work. In particular, we should achieve success in the following work:

First, we should continue to rectify the banking order to provide a good environment for the reform of the banking system. We should continuously expand the achievements on the basis of last year's rectification work. Monetary institutions of various categories and at various levels should make continuous efforts to clean up and collect all loans in violation of regulations, correct the business activities in violation of regulations, thoroughly separate themselves from the economic entities they have established, and solve their own problems in an all-round manner. We should continue to investigate and deal with all illegal monetary institutions and the illegal banking business and illegal collection of funds by nonmonetary institutions to safeguard a steady banking order in society.

Second, we should bring the total amount of credit under strict control to ensure the smooth progress of the reform of the banking system. To bring the total amount of credit under strict control in the process of changing the old banking system to the new and avoid serious inflation is a need of the reform of the banking system and also a need in establishing the socialist market economy system. We must make it successful this year. In line with relevant state stipulations, monetary institutions of various categories and at various levels should phase in the method of management of the proportions of assets and liabilities under the guidance of quotas and try to use economic means to control the scope of loans. The method of management of the scope of fixed asset loans should be strictly carried out, and the scope must never be exceeded without approval. Conscientious efforts should be made to enliven the use of the loans available, tap the potential of funds, and raise more funds to support economic construction.

Third, we should steadily promote the reform of the banking system and actively do a good job in the various preparations. The People's Bank of China, the various

specialized banks, and other monetary institutions should make various preparations according to the unified arrangements of the state. 1) They should change concepts and consider issues from the viewpoints of the central bank and commercial bank. 2) They should strengthen their internal management and improve rules and systems to lay a solid foundation for reform. 3) They should do a good job in the calculation and analysis of date and other relevant report work so that they can implement reform measures as soon as possible. 4) They should conscientiously organize staff members and workers to study relevant policy regulations and intensify their training so that everyone will know regulations and how to operate.

Fourth, we should conscientiously strengthen banking supervision and management and conduct the reform of the banking system according to law. People's banks of China at various levels should earnestly change their functions and strengthen banking supervision and management. When banking laws and rules are promulgated, we should step up efforts to formulate the detailed regulations for their enforcement and standards for operation. People's banks of China and various monetary institutions should learn to use laws as a weapon to safeguard the safe and effective operation of the banking system, ensure public interests, and defend social stability.

Fifth, we should "attach equal importance to two tasks" and successfully build the infrastructure for the banking departments. Realistic improvement of the contingents of staff members and workers and strengthening of various fundamental work are the basic prerequisites for fulfillment of the tasks of the reform of the banking system. Focusing on this year's work stress, Hebei's banking departments should "attach equal importance to two tasks" and win achievements both in the material civilization and the spiritual civilization. Meanwhile, the People's Bank of China and all monetary institutions should do a good job in accounting, joint final accounts, cash receipt and payment, fund distribution, foreign exchange control, and business and security to lay a solid foundation for the reform of the banking system.

Hebei Army Staff Academy Makes Command Automation System

SK1306114394 Shijiazhuang HEBEI RIBAO in Chinese 3 Jun 94 p 7

[By Ru Tao (3067 3447) and Hao Run (3185 3387): "A Breakthrough in the 'Six Skills' Training of Staff Officers"]

[Text] Staff officers manual participation in planning, strategy devising, and command with a map, a pen, and a compass will end soon. The automation system for headquarters command of field operations produced by the ground forces staff academy was put into use for teaching in early May.

The six vocational skills of reading, taking notes, calculation, writing, drawing, and transmission done by hand by staff officers of headquarters for many years have become the "bottleneck" affecting and restricting headquarters' command efficiency due to the low speed and efficiency. Organizing personnel to tackle key difficulties for more than two years, the ground forces staff academy produced an automation system for headquarters' command of field operations, thus realizing automatic handling of staff work. Applying this system, staff officers, merely by pressing keys, can analyze roads, river systems, bridges, and many other essential elements of topography without maps, compasses, measuring rules, and other tools. The system can display the three-dimensional pictures of the topography of battlefields from various angles and altitudes, automatically measure and judge the distance, area, and the general view, and, in line with the tactical background, automatically produce special pictures of parachute landing, cross-country, and other operations. Its data base stores accurate and reliable materials on several hundred thousand characters and symbols, several hundred sets of pictures and figures, and more than a hundred thousand data, which can be consulted at will and classified for display. This system is able not only to "calculate" the mobility, command, and battle capacity of troops through the computer but also to incorporate the latest achievements of foreign army to replace the traditional and simple comparisons of persons and weapons with a more scientific comparison of combat capacity. Based on the quantity and quality of the military strength and weapons of the enemies and ourselves, this system may take into consideration the environment, operations, behaviors, and other factors in an all-around manner to predict who is to win and advance, who is to lose and retreat, thus making command and policy making more scientific. Through the system, man can talk to machines to have various combat orders, instructions, and plans automatically worked out. What is more significant, the system has bravely reformed the traditional command process and made it possible to have combat orders worked out at the moment when the commander is making a decision and have orders issued immediately after the decision is made. Applying this system, a military mark can be made in one minute and is easy to use and revise. This system also makes automatic adding of cipher and instantaneous transmission of words and pictures possible and can be connected with the current telecommunications equipment of the Army. It is convenient to carry and convenient for field operations.

Hebei Develops Social Insurance Business

SK1306121594 Shijiazhuang HEBEI RIBAO in Chinese 2 Jun 94 p 1

[By Jia Zhishun (6328 1807 7311) and Wei Zengchen (7614 2582 5256): "The Living Standard of 660,000 Retired Personnel Will Be Guaranteed and 4.1 Million Incumbent Staff and Workers Have No Trouble Back at Home"]

[Text] Social insurance work has been vigorously developed in our province, playing an important role in promoting economic development and safeguarding social stability. At present, 4.1 million incumbent workers and 660,000 retired workers across the province have participated in the social insurance program. Thus, a multilayered and integrated social insurance system has taken its initial shape.

Social insurance is a social security measure and a social stability mechanism cosponsored and enforced by the state and government departments, with the purpose of providing a guarantee for the living standard of laborers during maternity, old age, illness, burial arrangements, injury, disability, and unemployment. Beginning in 1986, on the basis of universally establishing at the higher and the lower levels the social insurance management organs that are subordinate to the labor departments of various levels, our province has conducted a series of reforms of the social insurance system with old-age insurance and unemployment insurance as the priorities.

In line with the principle of "fixing the amount of funds to be collected according to the amount of funds to be spent, allowing a small surplus, and keeping a portion as accumulation funds," we have implemented the method of collecting and adjusting old-age insurance funds with social efforts in state-owned enterprises and changed the long-practiced method of making enterprises assume sole responsibility for all the retirement payments. At the end of 1987, 149 counties and cities across the province took the lead in China in implementing the method of collecting old-age insurance funds of state-owned enterprises from social sectors. Beginning 1 January 1992, this method was carried out in the whole province. Starting this year, the method of fixing the percentages of old-age insurance funds to be collected from permanent workers, contract workers, and temporary workers, collecting these funds in a unified manner, and combining them for use has been implemented in state-owned enterprises across the province, thus effecting an integrated management of old-age insurance for state-owned enterprises.

We have conducted the program of collecting old-age insurance funds for collective enterprise workers from the social sectors. So far, all counties and cities across the province have basically realized the goal of collecting old-age insurance funds from the social sectors in cities and counties, with more than 80 percent of incumbent workers and retired workers participating in this program.

We have also established the old-age insurance system for temporary workers, Chinese workers in foreign-funded enterprises, private enterprise workers, and self-employed workers. To meet the needs of the coexistence of various forms of ownership and market economic development, and while unceasingly improving the old-age insurance system for workers of state-owned enterprises and collective enterprises, our province has successively issued old-age insurance regulations and

methods for various kinds of enterprise workers such as temporary workers, Chinese workers in foreign-funded enterprises, private enterprises, and self-employed workers.

In line with the principle of pooling old-age insurance funds from the state, enterprises and workers themselves, we have universally implemented the system of making workers themselves pay a basic amount of old-age insurance funds.

Starting in 1992, we have reformed the method of calculating and distributing the basic old-age pensions for workers and selected Baoding, Handan, and Xingtai cities as pilot units. The reform plan of Baoding city had been put into trial implementation in July 1993. The whole province will promulgate the new method for calculating and distributing the basic old-age pension and put it into practice within this year.

We have universally established the unemployment insurance system for enterprise workers. Over the past few years, the scope of implementing the unemployment insurance system has unceasingly expanded, 23,491 units with 3.86 million workers have joined the unemployment insurance program, and the unemployment insurance program's dual functions of providing relief for unemployed workers and helping them find jobs again have been given full play. At present, the whole province has provided jobs for 136,700 unemployed people in cities and towns and provided relief for the living of 26,000 unemployed people.

We have taken active and prudent steps to conduct reform of the injury, medical, and female workers' birth insurance systems in selected units. Thirty counties and cities across the province have implemented the injury insurance reform. In reform of the medical insurance system, we have mainly implemented the method of pooling medical expenses for incumbent workers who suffer serious illness and health-care expenses for retired workers from social sectors in some selected units. In female workers' birth insurance reform, we have experimented with the method of pooling birth funds for female workers from social sectors.

We have conducted social insurance program and socialized management and service work. Labor departments and social insurance organs at all levels have enhanced the sense of service and strengthened socialized management and service work for enterprise retired workers in the principle of "combining the efforts of departments and regions and the efforts of specialized organs and the masses." Almost 50 percent of the counties and cities across the province have established management organizations with the self-management of retired personnel playing a dominant role. Many counties and cities have also conducted "coordinated" service work, such as handling all sorts of social insurance procedures and providing consulting services.

Hebei Granted Loan for Environmental Protection

SK1306125894 Shijiazhuang HEBEI RIBAO in Chinese 2 Jun 94 p 1

[By Chai Fang Jie (2693 2455 2638) and Wang Zhiqiang (3769 1807 1730): "Some \$140 Million is Used for Environmental Protection"]

[Text] The agreement signing ceremony for the People's Bank of China to grant the Asian Development Bank loan to Tangshan and Chengde cities to carry out environmental protection projects was held at Shoudu Hotel in Beijing at 1000 in the morning of 3 June.

The People's Bank of China granted \$140 million of an Asian Development Bank loan to the Tangshan and Chengde city people's governments. Of this sum, Tangshan will take \$85 million and Chengde will take \$55 million. This time, Tangshan will use this Asian Development Bank loan for carrying out a group of projects for improving the city environment, including the gas supply and transmission project of the city gas company, the heating supply project of the city heating company in the central district, and four other projects. Chengde city will use this loan to build the coking gas project. Upon completion, the industrial sector and citizens may replace coal with gas, the daily gas supply may reach 470,000 cubic meters, about 80 percent of citizens may have gas supply, and all the produced metallurgical coke will be supplied to Chengde Iron and Steel Company. Thus, we may have gas supply in these two cities and fundamentally solve the pollution problems in these famous historical and cultural cities.

Hebei County Executes Six Criminals

SK1306114194 Shijiazhuang HEBEI RIBAO in Chinese 3 Jun 94 p 2

[By Wang Mingshan (3769 2494 1472) and Zhao Weimin (6392 3634 3046): "Luancheng Sentences a Group of Criminals for Serious Criminal Offenses"]

[Text] On 21 May, Luancheng County held a public trial to sternly crack down on criminal crimes. Tian Zengyi, robber and murderer; Tian Guiting, Li Runxiang, and Duan Guiliang, members of a bus marauding and waylaying gang; and Li Jianqiang and Wang Xinbo, chief criminals of another bus marauding and waylaying gang; were executed by shooting according to law. Huang Jianguo and Bai Tao were sentenced to death with a two-year reprieve; Zhang Jianli and Liu Jianlin were sentenced to life imprisonment; and Chen Bin, Wang Tiejun, Li Nianhong, Xia Bocheng, and Shen Guocai were sentenced to imprisonment ranging from four to 13 years. They are all members of the gangs.

On the evening of 4 December 1993, criminal Tian Zengyi went to the home of Wang Changhai, a sheep breeder in Sixia Village of the county, to kill Wang with a wood club and kitchen knife and rob him of 67 head of sheep and 130 yuan, worth more than 14,000 yuan.

Criminals Tian Guiting, Huang Jianguo, Li Runxiang, and Li Jianqiang robbed long-distance bus passengers of their property and money totaling tens of thousand of yuan on national highways no. 107 and 308 and several bus lines around the provincial capital. They injured several hundred passengers, thus seriously affecting social stability.

Inner Mongolia People's Congress Meeting Ends

SK1406042294 Hohhot NEIMENGGU RIBAO in Chinese 1 Jun 94 p 1

[By Reporter Wang Rantong (3769 3544 1749): "The Eighth Standing Committee Meeting of the Eighth Inner Mongolia Autonomous Regional People's Congress Ends"]

[Excerpts] After six days in session, the eighth standing committee meeting of the eighth regional people's congress ended on the afternoon of 31 May.

Wang Qun, chairman of the regional people's congress standing committee, chaired the meeting. Forty-six people were present at the meeting. They were Yu Xinglong, Liu Zuohui, Yi Junhua, Liu Zhenyi, Cui Weiyu, Jia Cai, Liu Zhen, and Liu Xiaowang, vice chairmen of the regional people's congress standing committee, and secretary general and members of the regional people's congress standing committee.

Present at the meeting as observers were Lin Yongsan, vice chairman of the regional people's congress standing committee; Ba Shijie, president of the regional higher people's court; and Zhang Hesong, chief procurator of the regional people's procuratorate.

The meeting approved the "Inner Mongolia Autonomous Regional regulations on handing incoming letters from the masses and receiving visitors," "the regional regulations on management of cultural markets," "the regional regulations on examination of law enforcement by the people's congress standing committees at various levels," "the regulations on the work of the league work committees under the regional people's congress standing committee," and "the regional methods for implementing 'the PRC law on safety of mines.'"

The meeting approved the "Hohhot city methods for management of public utilities" and the "Baotou city regulations on management of dismantlement and movement for urban construction."

The meeting approved the namelists of personnel appointments and removals.

Wang Qun, chairman of the regional people's congress standing committee, made a speech at the meeting. [passage omitted]

Present at the meeting as observers were responsible persons of the organs and various committees under the regional people's congress standing committee, the

departments and bureaus concerned, the people's congress standing committees of the cities where districts are established, and the offices of the league work committees under the regional people's congress standing committee; some National People's Congress deputies; responsible persons of some banner, county, and city people's congress standing committees; and responsible persons of some regional democratic parties.

Inner Mongolian Chief Comments on Deng Spirit

HK1306084694 Beijing JINGJI RIBAO in Chinese 10 May 94 p 5

["Interview" with Wang Qun (3769 5028), secretary of the Inner Mongolia Autonomous Region CPC Committee, by special correspondent Song Xiaoming (1345 2556 2494): "Emulate Deng Xiaoping's Truth-Seeking and Realistic Spirit"—place and date not given]

[Text] [Song] In studying *The Selected Works of Deng Xiaoping*, what are your deepest impressions?

[Wang] Comrade Deng Xiaoping's truth-seeking and realistic spirit made the deepest impression on me. Emancipating the mind and seeking truth from facts is a proposition full of dialectical materialistic spirit. I believe that it is difficult to grasp this way of thinking but it is even harder to adhere to this ideological line in practice. Whether one can succeed in being "true to the end" is a real test of the level and awareness of every leader. It not only tests our comprehension and ability to solve problems but, in particular, it tests our party spirit, work style, and personal character.

[Song] What is your connotation of Deng Xiaoping's truth-seeking and realistic spirit of which you speak?

[Wang] I think it has three aspects, that is, to be an honest man, an intelligent man, and a brave man. The first is to be an honest man. "One has to be a man before being a writer." This saying tells us that one's writings reflect one's character. Without a certain character, it is impossible to produce first class work. Similarly, I believe that "one has to be a man before being an administrator." Compared with writing articles, a person's character is more directly significant for an administrator. A person without a first class character as a foundation will never make a good official. To emulate the truth-seeking and realistic spirit, the number one priority is to do things honestly according to scientific and objective laws, keep in constant touch with reality, maintain extensive links with the masses, find out the changes in the objective situation in a timely fashion, accurately tune in to the pulse of the masses, and grasp the opportunities which our time gives us, so that our decisions are in keeping with reality. Here, one must resolutely overcome the bureaucratic work style that is detached from reality and resolutely abolish the attitudes and ways of playing petty tricks or acting upon assumptions. We must try to be the kind of honest persons that Chairman Mao often praised. In Chairman Mao's eyes, Marx was an honest person, Lenin was an honest person,

and scientists are honest people because they act honestly according to a scientific attitude. Comrade Deng Xiaoping is exactly such an honest person. He has always advocated a realistic spirit and has always put it into action himself. His writings and speeches are of the simple style, without empty talk that is detached from reality. His decades of political practice and his simplicity and diligence are even more of a glorious model and vivid textbook of the realistic spirit.

There is now a very bad trend and that is, taking an attitude of copying and mechanically transplanting, without change, a superior's instructions or experience from other places. When documents arrive, some people carelessly read them once without serious studies, discussions, and thinking. They don't know to ask a few "whys" and "hows," nor do they come up with ideas for implementation that suit the reality in their localities and so, they are only able to copy and mechanically transplant them without change. People who take this kind of irresponsible attitude will always fail, 10 times out of 10.

[Song] This phenomenon still exists today.

[Wang] Since the reform and opening up, the economic and social features of many places have seen great changes. In some places, it is a new plateau every two or three years. It makes one excited to watch. However, some places have seen very little change; up to today, some still haven't found the right way to develop their local economy but only repeat formalistic slogans. This kind of irresponsible attitude by leaders is a manifestation that their party spirit and enterprising spirit are weak. If they do not change their attitudes quickly there will be no hope for these places. In actual work, of course it is important to come up with realistic decisions but it is equally important to turn correct decisions into people's actions through actual hard work. Without the latter, no matter how good the decisions, they will never materialize. Actual hard work is both a work style and a basic method to implement policies and it is even more so a test for the party spirit and sense of responsibility of each leader. Comrade Deng Xiaoping has always advocated actual hard work. In recent years he has repeatedly demanded that we "squeeze time to do more practical things and do more and talk less"; "do a few solid things, accomplish something, make oneself credible to the people"; "concentrate and do a few things that will make the people satisfied and happy"; and "quietly immerse ourselves in work and do our own business well." He has especially emphasized: "Leaders must do more practical work. The bad work style of passing one's days by giving orders and spouting empty words must be changed." The teachings and models of Comrade Deng Xiaoping are the force that impels us to do solid work.

[Song] What is an "intelligent man?"

[Wang] Modern society is very complex. Especially in China, which is in a transitional process moving towards a socialist market economy, the society is unsettled and

there are many new problems, new situations, and new contradictions. Under such circumstances, a leader will never make it without a certain level of intellect. For a leader to establish the scientific attitude of seeking truth from facts and being truthful and realistic, an important issue is to learn to analyze and handle problems dialectically and overcome one-sidedness or thinking in absolute terms. This is both an important theoretical problem and a practical problem which occurs often in leading work. I believe that the higher one's position in the leadership, the more important this problem becomes.

[Song] Please elaborate on this in specific terms.

[Wang] Comrade Deng Xiaoping has made a very important point, that is, "take the overall situation into account," "yield to the interests of the whole," "minor principles should be subordinated to major ones," and consider issues from the perspective of the whole. Here, the "overall situation" and "major principles" are none other than the "reality of the whole," while partial considerations are no more than "partial reality." To start from the perspective of the whole means to start from the reality of the whole. Most people acknowledge this principle but, when concrete problems occur, not everyone can keep a clear head. During the 15 years since reform and opening up, Comrade Deng Xiaoping has handled many complex problems with his political wisdom and set up a glorious model for us.

[Song] Please give an example.

[Wang] For instance, the handling of the "fools' seed" case. Comrade Deng Xiaoping recalled: "At that time, many felt uneasy, saying that he [a person who became rich by selling 'fools' brand pumpkin seeds] had made a million. And they wanted to take him down. I said we cannot take him down. If we do, people will say that policies have changed and what we gain is not worth what we lose. There are many similar problems. If we don't handle them properly, they will very easily deflect our policies and affect the whole reform." In Comrade Deng Xiaoping's perspective, failure to handle the "fools' seed" case did no harm to the whole situation; if we had handled the case it would have been detrimental to the whole situation.

[Song] The outstanding significance of Comrade Deng Xiaoping's analysis of the "fools' seed" case lies in its exemplary role. In the process of building socialism with Chinese characteristics, complex problems will certainly often occur and our leading cadres will certainly be often tested in whether they can correctly handle complex problems or not. The demonstration by Comrade Deng Xiaoping is no doubt classic for all levels of leading cadres.

[Wang] Political experience is accumulated gradually. The political experience which comrade Deng Xiaoping provides for us is very precious. Not only in the "fools' seed" case but in many other problems, Comrade Deng Xiaoping has provided classical models for us. For instance, in both taking our own road and opening to the

outside world; in both paying attention to the construction of material civilization and to the construction of spiritual civilization; in both opposing the right and opposing the "left"; in diplomatic strategy, his "we still have to make friends but must keep a clear head," etc. Whenever faced with important problems and crucial moments, Comrade Deng Xiaoping is always so clear-headed; his analysis of things is always so profound, comprehensive, and to the point; his handling of problems is always so appropriate, differentiating the important from the unimportant and the emergency case from nonemergency ones. Without the skilled dialectical thinking of a politician, and without the penetrating vision and tactics of a strategist, this would be impossible. We must emulate comrade Deng Xiaoping's thinking and learn to consider and handle problems with materialist dialectics. Many things in the field of politics indicate that once the leader's way of thinking goes wrong, his mind will not be clear before major issues of right and wrong and he will lose direction, leading even to political mistakes and bringing irreplaceable losses to our cause.

[Song] It seems to me that what comrade Deng Xiaoping advocates is a spirit of political reasoning. From his theory of "white cat and black cat" to his analysis of the "fools' seed" case, his rational spirit permeates his career of political practice.

[Wang] You have a point.

[Song] Apart from "being an honest man," and "being an intelligent man," why does comrade Deng Xiaoping's truth-seeking and realistic spirit also contain "being a brave man"?

[Wang] The spirit of innovation and risk-taking is the character a modern leader must have. The theory of socialism with Chinese characteristics is the most creative theory; the ideological line of emancipating the mind and seeking truth from facts contains in itself the content of creating new things all the time. The achievements in reform and opening up and in the modernization construction of China in the past dozen years or so are exactly the result of the constant creation and aggressive advancement of the hundreds of millions of people under the leadership of the party. Without a brave spirit, we will be unable to accomplish anything, unable to advance even a single step.

[Song] Comrade Deng Xiaoping has always encouraged innovation.

[Wang] That senior leader once made a very encouraging statement: "Without a little spirit of breaking through, without a little spirit of 'risking,' without a little energy and force, one cannot find a good road, or a new road, and cannot accomplish new things. Who dares to say that their business has a 100 percent guarantee with no risk at all." He repeatedly emphasized: "We certainly have to have innovation." What Comrade Deng Xiaoping advocates here is a spirit of innovation and risk-taking. The

"energy" and "force" he mentioned is a kind of revolutionary courage, heroism, and boldness. It originates from lofty ideals and infinite loyalty to the people. In the practice of reform and opening up, the spirit of innovation and risk-taking is very precious and needs to be advocated. People with a lot of prudence and who do not dare to take responsibility cannot do it; people who do not seek accomplishments but only seek to make no mistakes cannot do it; as for those who have no people, no ideals, and no enterprising spirit but only themselves in their minds, they not only cannot do it, they can't even understand this spirit of innovation and risk-taking.

[Song] Brilliant!

[Wang] The ideological line of the party is a thoroughly materialist one. Only thorough materialists can completely understand it and adhere to it to the end because adherence to this line is risky, requiring people to pay a price and make some individual sacrifices. Those who lack the sense of responsibility towards the prosperity and happiness of the people, and those who lack enthusiasm towards the vigorous new cause, will be unwilling to pay this price. In reality, many things demand that leaders have the courage to persist in seeking truth from facts. For instance, the masses are very critical of unhealthy trends, corruption, and of the serious political liberalism which exists within the party. However, it is very difficult to correct. One of the major reasons is that some leading comrades lack the courage to seek truth from facts and they are unwilling to shoulder individual risks. These comrades don't understand that if we ourselves are unwilling to pay a small price, our party will have to pay a high price. Again, we often face the following situation in leading work whereby two diametrically opposite views and evaluations arise concerning the same thing, the same person, the same history, or the situation in the same region and where both sides claim that they are seeking truth from facts. This can be due to many factors. Perhaps there is a problem of ability and the level of comprehension, or a problem of different degrees of understanding the situation, or different perspectives in looking at things. Often there are problems of different ideological viewpoints and the criteria of right and wrong. This should be called normal. The problem is, as a leader of a locality or unit, one must take the party standpoint. On the basis of seeking truth from facts, one must talk and act justly, correct the prejudices of some comrades, and encourage those comrades who persist in seeking truth from facts. This is nothing like "life and death" issues but, if we cannot even do this, then how can we handle it when real "life and death" situations occur?

[Song] The question of placing our individual "self" in which position is indeed a crucial one.

[Wang] The basis of the party's ideological line, the soul of the truth-seeking and realistic spirit, is to place the people's interests above all else. The source of courage and strength in upholding this ideological line lies in the people. In his long revolutionary career, Comrade Deng

Xiaoping considered himself a "son of the Chinese people." He has always respected and loved the people and has paid constant attention to the people's interests and wishes. He places the starting point and goal of all policies and criteria for judging right and wrong on "whether the people are happy or not," "whether the people agree," and "whether the people support it." It is exactly because of this that he is equipped with great courage in theory and practice, his correct decisions naturally become the willing actions of the hundreds of millions of people, and he himself can lead the people fearlessly in battle in the great process of building socialism with Chinese characteristics.

[Song] It seems that whether one can be truth-seeking and realistic and whether one can uphold truth is inevitably linked to the level of character of the individual.

[Wang] This is indeed so. Comrade Deng Xiaoping's rough and rugged experience, his revolutionary character of paying no attention to personal fame and safety, or gain and loss, but constantly upholding truth and principles, truly reflects his lofty awareness of unswervingly seeking truth from facts. Comrade Deng Xiaoping's great experience educates us that Communist Party members who view the people's interests as higher and weightier than anything else, are not afraid of anything. In his article commemorating Comrade Liu Bocheng, Comrade Deng Xiaoping made a moving statement: Comrade Liu Bocheng "exerted himself to the utmost, despite 10,000 deaths, in order to realize that in which he believed.... Whether in successful times or in difficult times, irrespective of time and place and changes in the objective environment, he consistently contributed his all to the party, submitted his all to the needs of the party, and immersed himself in the cause of the party, without the slightest consideration for personal fame and gain. He truly reached the realm of selflessness." I often think if all our leaders, generation after generation, could reach this "realm of selflessness," then the leading bodies of the party at all levels would certainly become the strong battle headquarters, create a good trend, and carry forward the truth-seeking and realistic spirit. Thus, in the course of building socialism with Chinese characteristics, our ship will be able to advance along the correct path toward the glorious goal in any kind of turbulent sea.

Tianjin Reports Environment Protection Achievements

SK1406080394 Tianjin TIANJIN RIBAO in Chinese 4 Jun 94 p 2

[Text] The municipality sponsored a briefing according to the provisions set in the "PRC Environment Protection Law" on 3 June, to release a municipal environmental bulletin, where Liu Jinsheng, director of the municipal environment protection bureau, announced: Along with rapid economic growth, the municipality realized stability in the overall quality of urban environment in 1993 and still maintained the high level scored

in this regard over the past few years. The rate of urban sewage disposal, of industrial waste water disposal, and of popularizing urban heating supply, were obviously upgraded. The norms of building urban environmental infrastructures as well as the rate of popularizing urban gas supply, of increasing urban vegetation, and of improving garbage disposal, were upgraded in varying degrees.

The 1993 municipal environmental bulletin reveals that the density of urban air pollution, the daily average density of nitraoxide in the year, was 0.07 mg/cubic meter and that of carbon monoxide was 2.57 mg/cubic meter, which was the same for 1992. The daily average density of sulfur dioxide in the year was 0.14 mg/cubic meter, showing a 2.2 percent decrease over 1992. The monthly urban fallout was 13.2 tonnes/square km, a one tonne/square km decrease over 1992, and the best norm scored in this regard over the past few years. The total volume of waste gas and steam was 132.2 billion standard cubic meters, showing a 0.45 percent decrease over 1992. In 1993, the municipality continued to maintain the fine quality of water diverted from the Luan river. Of the 20 norms of keeping the diverted water clean, the rate of achieving the norms was 98.8 percent. The diverted water has been one of the best sources of water enjoyed by large cities throughout the country. The rate of urban sewage disposal reached 26.43 percent to show a 6 percent increase over 1992. The rate of industrial waste water disposal reached 81 percent, showing a 5 percent increase over 1992. The two norms mentioned above have been at the advanced level scored by the large cities throughout the country. The average urban noise pollution in 1993 was 59.7 decibels, showing a 1.3 decibel decrease over 1992. The 17.7 square km of new municipal, small, residential districts free from noise pollution were built ahead of the target set in the 1994 plan in this regard. The 1993 volume of solid waste discharged by units throughout the municipality was 4.2 million tonnes. The rate of making use of solid waste in a comprehensive way reached 70.1 percent, basically the same as in 1992, and the rate of conducting comprehensive management over this waste reached 96 percent, showing an increase of 6 percentage points over 1992. The municipal's garbage volume was 1.89 million tonnes and the rate of harm-free garbage disposal reached 50.2 percent, showing a 5.2 percent increase over 1992. The municipal rate of achieving the standards in the auto gas control reached 73.9 percent, showing a slight increase over 1992.

Of the fixed-quota targets in the 21 projects set by the state with regard to the comprehensive management of urban environment, the municipality fully fulfilled the seven targets including the smoke and dust control and industrial waste water disposal. It also made progress in the 12 targets, including the improvement of sources of potable water and the comprehensive management of industrial solid waste. All of these have laid a fine foundation for the municipality to become one of the 10 outstanding cities throughout the country in comprehensive environmental management.

During the briefing, Vice Mayor Wang Dehui delivered a speech in which he put forward the following three demands related to successfully carrying out the current work of environmental protection: It is hoped that the comprehensive management of urban environment will make the obvious upgrade or improvement of the quality of the municipal environment and the function of municipal carriers possible and provide a fine investment environment for the municipal programs of reform, opening up, and economic construction and a fine environment for 12th Asian Table Tennis Event and the 43d World Table Tennis Championships.

Liu Wenfan, vice chairman of the municipal people's congress standing committee, attended the briefing for the release of the municipal environmental bulletin.

Tianjin Scientific Project To Increase Output Value

SK1406054394 Tianjin TIANJIN RIBAO in Chinese 2 Jun 94 p 1

[Text] The scientific and technological 10-billion-yuan project, listed by the municipal government as a major project of this year's scientific and technological work, has been started in an all around manner and has yielded initial success thanks to the active efforts of the participating large contingents of scientific and technical personnel in all fields. The first group of nine items has been started, with the participation of dozens of scientific research institutes, institutes of higher learning, and enterprises. In developing these items, the scope of industrialization has been expanded and commodity production has been organized simultaneously. Initial success has been won in this to increase the industrial output value by nearly 200 million yuan and to lead the development of a number of relevant industries.

Beginning this year, the scientific and technological 10-billion-yuan project plans to build 10 high technology industries in five years with an annual output value exceeding 500 million yuan each so as to promote the development of a group of high technology products and establish a group of industries whose output value totals 10 billion yuan. Since last March when the municipal scientific and technological congress put forward the targets of the 10-billion-yuan project, the municipal scientific research units stationed in Tianjin, the research institutes of the schools of higher learning, scientific research institutes under the municipality, large and medium-sized enterprises, and high technology enterprises of various types have actively participated in the project. After screening, the municipal science and technology commission decided to cultivate on a priority basis a group of high technology achievements with broad market prospects and then gradually include them in the 10-billion-yuan project. To date, the production of study-oriented video game machine, cortex hormone, nickel-hydrogen battery, new-type pesticide, and numerical-controlled machine tool has been officially listed as items for implementation, and coating technique and

three other items have also been listed as ones for cultivation on a priority basis and given particular support. The first group of items to be implemented are high technology products developed by the large contingents of scientific and technical personnel in various fields after many years of research. The technological levels and technical measures of these items are among the best in the country or up to the advanced levels of the world, their market prospects are very broad at home and abroad, and they possess fairly good basic conditions for expanding the scope of industrialization. They can be turned into highly competitive products in a short time, and their output value is estimated at 1 billion yuan this year. Take the 16-bit study-oriented video game machines first produced by the Xinxing Electronic Company, which was established by the no. 46 institute of the Ministry of Electronic Industry. From January to April, 60,000 such machines were produced and sold, and orders keep pouring in from domestic areas and foreign countries. Including this product in the 10-billion-yuan project will help increase its production capacity to 600,000 and its annual output value to 300 million yuan this year.

The scientific and technological 10-billion-yuan project not only helps accelerate the industrialization of the scientific and technological achievements of scientific research institutes but also leads a group of large and medium-sized state-owned enterprises to the new road of pursuit of high technology. The items on new-type pesticides, numerical-controlled machine tools, and other products have been carried out at some dozen large and medium-sized enterprises. The municipal general pesticide plant cooperated with Nankai University to carry out scientific and technological development, thus continuously upgrading and updating its products and creating notable economic returns. In the first four months of this year, the output value created by its new-type pesticides exceeded 70 million yuan.

Northeast Region

Heilongjiang Appropriates Funds for Colleges

SK1306042294 Harbin HEILONGJIANG RIBAO in Chinese 1 Jun 94 p 1

[Text] Regardless of its strained financial situation the provincial people's government recently appropriated its special funds to the higher educational institutions to deal with the practical problems cropping up in the fixed-quota supplies of grains and cooking oil to these institutions, in protecting the quality of supplies and restricting price hikes, in subsidies for students who have encountered exceptional difficulties, and in subsidies for the meat price hike.

In his personal approval for the special funds, Acting Governor Tian Fengshan asked Zhang Chengyi, assistant to the governor, to hold specific discussion with the responsible comrades of the financial department, the education commission, and the general office of the

provincial people's government, on the issue of carrying out detailed analysis over the difficulties that should be dealt with urgently and over the prominent problems cropping up in the education circles. They should also make overall arrangements in this regard so as to use the funds where they are needed most.

The special funds are being distributed to various higher educational institutions. Subsidies for the price hikes of student mess and those for the students who have encountered exceptional difficulties will enable the student from the border areas, the minority nationalities, and the poor localities to be at ease in study.

Jilin Secretary Meets Central Inspection Group

SK1406031794 Changchun JILIN RIBAO in Chinese
31 May 94 p 1

[Text] He Zhukang, secretary of the provincial party committee, and Governor Gao Yan received Hu Ping, director of the Special Economic Zone Office under the State Council, and Chen Shunheng, deputy director of the office, as well as their entourage in the Nanhu Guest House on the afternoon of 29 May.

During the reception, Comrade He Zhukang held talks with the comrades from the Special Economic Zone Office of the State Council with regard to the development in the Tumen Jiang region, the province's important position in the development, and the province's unique strong points and prospects in development.

During the reception, Governor Gao Yan briefed the guests on the province's whole situation in opening up and the province's strategic plan for "building Jilin into a developed, border, and maritime province". He also briefed them on the current situation in the development of the 16 national and provincial level development zones across the province and put forward problems that needed to be dealt with.

During the talks, Hu Ping, director of the Special Economic Zone Office of the State Council, acknowledged the achievements scored by the province in opening up.

Attending the reception were Vice Governor Quan Zhezhu and personnel concerned from the provincial people's government.

Jilin Reports Achievements in Anticorruption Struggle

SK1406050394 Changchun JILIN RIBAO in Chinese 2
Jun 94 pp 1,4

[By Ming Hua (2494 5478), Xue Liang (1331 5328), and De Sheng (1795 0524): "The Province as a Whole Has Scored New Achievements in the Struggle Against Corruption"]

[Excerpts] The provincial party standing committee recently heard the report given by the provincial discipline inspection commission and the provincial supervisory department on the anticorruption work done in the former period. It acknowledged the achievements scored by the province in the anticorruption work since the beginning of this year and contended that the situation in the struggle against corruption across the province had been fine, that the achievements scored in this regard last year had been consolidated, that various tasks in the anticorruption work this year had achieved new progress, and that results in some tasks had been obvious. The anticorruption work has played an active role in safeguarding the province's political stability, protecting the province's programs of reform and opening up, and promoting the province's economic development. [passage omitted]

During the period from January to April this year, the number of conferences and meetings sponsored by various departments under the provincial party committee showed an 18 percent decrease over the same period of 1993 and that of conferences and meetings convened by various departments under the provincial people's government showed a 50 percent decrease over the same period of 1993. The expenses for these conferences and meetings showed a decrease of over 630,000 yuan over the same period of 1993. The province's approval for the purchase of non-productive sedans showed a 16.3 percent decrease over the same period of 1993. [passage omitted]

During the period from January to April this year, the discipline inspection and supervisory organs throughout the province investigated and handled 162 serious and appalling cases that showed a 107.6 percent increase over the same period of 1993. These cases involved in four department-level cadres and 32 county-section-level cadres. Of these cases, 40 involved over 10,000 yuan of embezzled money. The procuratorial organs throughout the province investigated and handled 228 cases of economic crimes and of law and discipline violation. Of these cases, economic crimes showed a 97.5 percent increase over the same period of 1993 and law and discipline violation showed a 140 percent increase over the same period of 1993. These cases involved 21 cadres at or above the county-section level and 327 cases involved over 10,000 yuan of embezzled money. Of the 327 cases, 105 involved over 50,000 yuan of embezzled money.

During the period, the discipline inspection and supervisory organs throughout the province wound up 767 cases in which they punished 667 party-member cadres who had violated party discipline. Of these cadres, 274 received the heavy punishment of being dismissed from their posts and 59 cadres' cases were turned over to the judicial organs. They recovered 7.265 million yuan of economic losses. The procuratorial organs examined and prosecuted 159 cases of economic crimes and of law and discipline violation and recovered 6,019,500 yuan of

economic losses. The people's courts at all levels tried and wound up 133 cases of economic crimes and violations of law and discipline.

During the period, work emphasis was placed on implementing the relevant regulations of the provincial people's government with regard to preventing illegal collection of expenses. The provincial people's government dispatched 10 inspection groups to carry out overall inspection over the arbitrary collection of expenses among the nine cities and autonomous prefecture, 13 provincial level departments, 18 county-level cities and counties, and 245 units of 12 townships and towns. These inspection groups also held open rallies to handle these illegal collections of expenses. Changchun city corrected and handled more than 20 illegal collections of expenses left over from last year and recovered 279,000 yuan of illegal proportioning. [passage omitted]

Liaoning Mayor Arrested for Backing Auto Smuggling

OW1006132694 Beijing XINHUA in English 1300
GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—Chang Yi, mayor of Dandong in northeast China's Liaoning Province, has been arrested for backing automobile smuggling, a spokesman said here today.

The spokesman for the Central Discipline Inspection Commission of the Chinese Communist Party and the Ministry of Supervision said that the Liaoning provincial committee of the party had made a decision to expel Chang from the party.

The Liaoning provincial government had dismissed him from his post in a decision, he added.

As a result of Chang's backing, 277 motor vehicles were smuggled into Dandong from April 17 through May 8, 1993, he said.

Northwest Region

Gansu Leaders Discuss Economic Development

HK1006123494 Hong Kong WEN WEI PO in Chinese
8 Jun 94 p A2

[Report on "exclusive" interview with Yan Haiwang, secretary of the Gansu Provincial CPC Committee, and Zhang Wule, governor of Gansu Province, by staff reporters Lo Liang-liang (0149 0081 0081) and Yang Fan (2799 1581), and trainee reporter Chang Chun (1728 6511), in Lanzhou; date not given: "Gansu Province Is Basically Self-Sufficient in Grain"]

[Text] Lanzhou, 6 Jun (WEN WEI PO)—The project to divert the water from the Tatong He to the Qinqiang region, north of Lanzhou, basically has been completed. This project will change the backward appearance of the rural areas in central Gansu and have

a major impact on the province's social and economic development. When exclusively interviewed by these reporters, Yan Haiwang, secretary of the Gansu Provincial CPC Committee, and Governor Zhang Wule both took this project as an indication of the tremendous achievements scored by the province in reform and opening up, and likened the achievements to those currently attained in Dujiangyan.

This is one of the key projects financed by the World Bank in China with a loan of \$123 million. The construction of the project is difficult because of its large span. The Pandaoling Tunnel has an overall length of 15.7 km, and is the longest water delivery tunnel in Asia and the seventh longest in the world. With the world's most advanced equipment and technology, the engineering companies from China, Japan, and Italy, which are the contractors on the project, took six years to basically complete this magnificent irrigation work, and have been highly appraised by the World Bank and the Israeli experts.

Yan Haiwang stressed that Gansu, which in the past always depended on grain transferred from other provinces, has been basically self-sufficient since reform and opening up. Without suspension or semisuspension in production, the large and medium-sized enterprises here have performed better than those in many other provinces. The secretary also pointed out that Gansu is an entirely landlocked province, which is not along any coast, big river, or border (except for several dozen km of borderline contiguous to Mongolia with no economic significance). Under the situation in which eastern China is growing at a high speed, Gansu is determined to develop its strong points and avoid weaknesses so as to restore the prestige of the Silk Road, and the people are resolved to work hard for the goal of shaking off the province's impoverished appearance.

Governor Zhang Wule pointed out: With the market economic mechanisms taking effect, large and medium-sized state enterprises in Gansu have acquired a fair competitive environment. They are getting out of their predicament and advancing in a good direction. The construction of the multitrack Lanzhou-Xinjiang Railway and Baoji-Zhongwei Railway soon will be completed and opened to traffic, which will considerably enhance the province's railway transport capacity. Moreover, the province will benefit directly from the construction of the second Eurasia Continental Bridge between Lanzhou and the Alataw Pass, and its investment environment will be further improved. The State Planning Commission plans to establish a project to build in Lanzhou a large ethylene plant with a production capacity of 660,000 tonnes in a bid to increase the economic strength of northwest China, after taking into account the adequate output of petroleum and gas in Xinjiang and the good industrial and traffic facilities in Lanzhou. If the construction of this project is confirmed, the province's output value will increase by several

dozen billion yuan, and Gansu will play an even more powerful role as an industrial base in the vast northwest of China.

Gansu Governor Welcomes Foreign Economic Activity

HK1106021494 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 9 Jun 94

[Text] After listening to a report made on 8 June at a work meeting of the provincial governor and vice governors by a provincial people's government economic and trade delegation that had just returned from the United States, provincial Governor Zhang Wule emphatically called for further emancipating the mind, deepening reform, expanding opening up to the outside world, sponsoring more economic and trade fairs abroad, and paying more friendly visits to foreign countries and regions so as to invite more foreign investment.

In accordance with this year's provincial government work plan, the Gansu Provincial People's Government Economic and Trade Delegation headed by provincial Vice Governor Cui Zhenghua recently held "The 1994 Gansu Province Economic and Trade Fair" in Los Angeles.

After listening to the provincial delegation's report, Governor Zhang fully affirmed achievements scored by the delegation during its recent visit to the United States and hailed the province's trade fair in the United States as a complete success. He said: The trade fair has attained the desired results. Its success has once again attested to the fact that Gansu still has great potential to expanding and open up further to the outside world. Therefore, we should make more vigorous efforts to emancipate the mind and expand reform and opening up to the outside world in the years to come. So long as we do a good job in this regard, we will certainly be able to expand foreign trade and invite more foreign investment. To this end, we should make continued and redoubled efforts to explore new methods of deepening reform and expanding opening up to the outside world and engage in more foreign-related economic activities in the future.

Gansu Secretary Interviewed on Education

HK1106055894 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 7 Jun 94

[Text] "It takes 10 years for a tree to grow up, but 100 years to train qualified personnel." This Chinese saying shows how important training qualified personnel is. The key to training qualified personnel lies in developing education. With this issue in mind, this station reporter recently interviewed provincial party committee Secretary Yan Haiwang on what measures Gansu will take to speed up the province's educational development in the years ahead and what blueprints Gansu has drawn up to this end.

[Reporter] Will you please tell me what Gansu has done with respect to implementing "The PRC Education Reform and Development Program" and "The PRC Teachers Law" in recent years?

[Yan Haiwang] The provincial party committee and people's government have all along attached great importance to and vigorously implemented "The PRC Education Reform and Development Program." Gansu Province held a provincial education work conference in 1993, which drew up the province's "Opinions on Implementing and Instituting 'The PRC Education Reform and Development Program'." The conference stated in no uncertain terms that it is imperative to attach strategic priority to the province's educational development and called for deepening education system reform and rapidly training all sorts of qualified personnel required by the province's economic growth. As a result, we have further increased input into education. We have also pledged to enable educational funds to account for about 4 percent of the province's gross national product, keep annual increase of the province's educational funds at and above 13 percent, and adopt practical measures to annually increase education-related operational funds in the Ninth Five-Year Plan. Thus we are confident that we will implement to the letter "The PRC Education Reform and Development Program" and "The PRC Teachers Law" thanks to such a correct guiding ideology and the aforementioned policies and measures.

Since last year's conference, party committees, people's governments, and education departments at all levels across the province have conscientiously implemented "The PRC Education Reform and Development Program" and "The PRC Teachers Law" in light of actual local conditions, actively pushed forward educational reform and development with some initial successes, and mainly attained the following two goals: First, we have raised educational funds through a variety of channels despite a flat budget. We raised educational input to a certain extent in 1993 in comparison with the previous year with the result that the province's educational funds rose to 1.496 billion yuan, of which budgeted educational funds accounted for 0.959 billion yuan, up by 10 percent over the previous year. Moreover, the province's per capita educational funds rose to 277.18 yuan, up by 5.14 percent over the previous year. Second, we have raised wages of primary and secondary schools teachers, repaid more than 27.5 million yuan in wages owed to those teachers, and basically guaranteed monthly wages for primary and secondary schools teachers.

Implementation of "The PRC Education Reform and Development Program," "The PRC Teachers Law," and Gansu's "Opinions on Implementing and Instituting 'The PRC Education Reform and Development Program'" has given a powerful impetus to the province's overall educational development. As a result, some 54 counties in the province have implemented compulsory primary education for all school-age children while some 14 counties in the province have implemented compulsory secondary education for all school-age children. At

present, some 95.8 percent of the province's school-age children are going to schools. The province's dropout rate has also declined. The ordinary college and technical secondary education are now available to more people in the province. The province's adult, vocational, and in-service education and post-related training have also seen rapid growth. A total of 45 counties in the province have eradicated illiteracy. The illiteracy rate among the province's young and middle-aged people has dropped to lower than 20 percent.

Nevertheless, the province's overall educational standard is far below the country's average. The province's educational development is still plagued by a series of problems, including contradictions between educational development and economic construction, and between educational scale and development speed, on the one hand, and insufficient educational funds on the other, and so on. These problems are unlikely to be solved in the foreseeable future.

[Reporter] Will you please tell me what specific measures Gansu will take to press ahead with educational reform and development?

[Yan] In accordance with requirements spelled out by the State Council, the Eighth Gansu Provincial CPC Congress held in 1993 put forth a basic train of thought and some basic tasks for Gansu's educational reform and development. The basic train of thought is: Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, Gansu should comprehensively implement "The PRC Education Reform and Development Program"; persistently attach strategic priority to educational development; energetically develop elementary education by implementing a nine-year compulsory education system across the province; continually develop vocational, technical, adult, and college education; further develop the province's educational cause in terms of quantity and quality; strive to raise the province's overall educational standard onto a new stage in order to make, by the end of this century, compulsory primary education basically available to all school-age children and compulsory junior secondary education available to about 70 percent of the province's rural population; basically eradicate illiteracy among the majority of young and middle-aged people in the province; by the end of this century, enable all types of technical secondary schools to enroll the same number of students as ordinary senior secondary schools in the province do, and enable one or two higher learning institutions and more than 10 specialties to meet requirements laid down in the state "211 Project."

[Reporter] What specific steps will Gansu take to make educational reform and development successful?

[Yan Haiwang] Generally speaking, we're going to take the following four specific steps:

1. In order to attach strategic priority to educational development, leaders at all levels across the province should fully understand education's strategic position

and role and take education as a key link in the province's overall work. To this end, principal leaders at all levels across the province should personally take charge of educational development while members of leading bodies at all levels across the province should also show concern for educational development. We should constantly study all major issues relating to educational reform and development, attach great importance to and support educational work, help overcome practical difficulties and specific problems in the course of educational development, and strive to successfully accomplish educational tasks.

2. We should make continued efforts to deepen education system reform. To this end, we should mainly try to develop elementary education by relying on local resources at the moment. We should encourage various undertakings, enterprises, and individuals to participate in running all types of educational institutions. We should strive to develop college education by relying on the government support and gradually encourage people of all walks of life in the society to contribute to college educational development. We should strive to develop technical secondary and adult education by relying on concerted efforts on the part of relevant trades, professions, undertakings, and enterprises as well as the people of all walks of life in the society. Moreover, we should make energetic efforts to push ahead with school management and enrollment and graduate job assignment system reform, thereby deepening the province's overall educational reform.

3. We should strive to improve the province's educational quality. To this end, we should step up basic knowledge, theory, and skills training among students so they will be able to ethically, intellectually, physically, and aesthetically improve themselves, do more practical work, and become socialist builders and successors with ideals, moral integrity, cultural accomplishments, and a sense of discipline.

4. We should make every possible endeavor to provide educational development with necessary assistance, further raise educational input, secure a proper increase in educational funds year in year out, allocate a certain amount of funds for scientific research and educational development and for improving housing conditions of teachers as well, and increase wages of teachers. To this end, we should first increase wages of primary and secondary schools teachers by 10 percent on the basis of the newly promulgated professional and technical wages scale, continue to pay seniority subsidies to teachers in charge of individual classes, increase as of 1 October, 1993, monthly wages of non-government schools teachers by 35 yuan, cultivate a fine general mood of society in which teachers and education will be respected and highly valued, as well as urge and encourage social organizations and individuals to donate cash to schools or raise funds for schools. In a nutshell, we should make every effort to provide education with excellent conditions and a favorable environment.

Qinghai Rules on Birth Control for Transients

HK1306133794 Xining QINGHAI RIBAO in Chinese
22 Apr 94 p 2

["Qinghai Province Management Procedures for Birth Control of Floating Population"]

[Text] **Article 1** These procedures are enacted according to the state's relevant stipulations on "Management Procedures for Birth Control of Floating Population" and the "Qinghai Province Regulations Regarding Birth Control" for strengthening birth control management of the floating population.

Article 2 The floating population discussed in these procedures refers to the population of child-bearing age which has left their places of registered permanent residence for other areas for work and living.

Article 3 The people's government at various levels exercises unified leadership over birth control work of the floating population in the area under its jurisdiction, and introduces target management responsibility system for population and birth control.

Article 4 Birth control administrative departments at various levels, township (town) people's governments, and neighborhood offices are specifically responsible for management of birth control of the floating population in the areas under their jurisdiction.

Public security, industry and commerce administration, tax, labor, public health, communications, construction, and other departments, and individual laborers associations should coordinate closely with birth control administrative departments, township (town) people's governments, and neighborhood offices, and they should do a good job in jointly managing birth control of the floating population.

Article 5 The duties of township (town) people's governments and neighborhood offices located at the floating population's present places of residence are:

1. To advise persons of child-bearing age on birth control rules and regulations, policies, and eugenics;
2. To examine the birth control certificates of persons of child-bearing age, and make registration and affix signatures and seals;
3. To check on the birth control situation of married persons of child-bearing age;
4. To provide married persons of child-bearing age with contraceptives and tools, and birth control technical services, and regularly check the pregnancy situation of married persons of child-bearing age;
5. To supervise and examine various measures taken by departments concerned with implementing the management of birth control of the floating population;

6. To record the birth situation of the floating population and notify township (town) people's governments and neighborhood offices located in their registered permanent residences;

7. To put forward punishment suggestions for persons who violate birth control rules and regulations and policies, and submit these suggestions to county-level birth control administrative departments for decision.

Article 6 Township (town) people's governments and neighborhood offices located at the registered permanent residences of the floating population should do good jobs in the following aspects:

1. Urging persons of child-bearing age who are going to other areas to implement contraception and birth control measures, and building up a system of contact with them;
2. Issuing birth control certificates to persons of child-bearing age who are going to other areas;
3. Setting up birth control files for persons of child-bearing age who are going to other areas.

Article 7 The floating population moving to their present places of residence for living and work should call on county, city (district) birth control administrative departments, township (town) people's governments, and neighborhood offices, and present their birth control certificates for examination. Examination certificates will be issued after examination and registration by the county, city (district) birth control administrative departments, township (town) people's governments, and neighborhood offices located at their present places of residence.

Article 8 Only after checking up the birth control certificates of the floating population can departments or enterprises concerned at their present places of residence handle household registration of temporary residence, the signing of labor contracts, the issuing of business licenses, and other procedures.

Article 9 Units and departments employing workers are to carry out birth control management of the floating population they employ, and accept supervision and inspection by local township (town) people's governments, neighborhood offices, and birth control administrative departments at the county level and above.

Article 10 Birth applications of the floating population are to be examined and approved by birth control administrative departments, township (town) people's governments, and neighborhood offices located at their registered permanent residences according to local relevant regulations.

Only against birth certificates laid down in previous provisions can the floating population give birth to children at their present places of residence.

Article 11 The number of children given birth to by the floating population is to accord with the regulations laid down in their registered places of permanent residence.

Article 12 Guest houses, hotels, room or house renters, as well as relatives and friends of the floating population should actively help departments concerned do a good job in birth control for the floating population. If they discover violations of birth control rules and regulations and policies, they should report in time to birth control administrative departments, township (town) people's governments, and neighborhood offices.

Article 13 If departments and units that should perform relevant birth control management duties in accordance with the present procedures cannot meet the requirements of birth control target management, local people's governments and departments concerned should investigate and affix according to regulations the responsibility of their leading members and the person held directly responsible.

Article 14 Members of the floating population who violate birth control rules and regulations and policies, and who become pregnant and give birth to children outside the plan should be punished according to Articles 40 and 41 of the "Qinghai Province Regulations Regarding Birth Control".

Those who violate the regulations laid down in previous provisions—and if the case is serious—should be charged one to five times extra fees for pregnancy and childbirth outside the plan according to the highest penalty limit laid down in the previous provisions. Various departments concerned and units employing workers should render active assistance.

Article 15 Units and individuals that violate these procedures, provide hiding places, or withhold and cover up cases without reporting the are to be penalized up to 1,000 yuan depending on the seriousness of the case.

Article 16 For those who forge, sell, or acquire certificates by cheating, birth control administrative departments at the county level and above should warn and punish the persons held directly responsible, and confiscate their illegal income. These offices also should make suggestions to the units where these people work and to the departments concerned for punishment.

Administrative disciplinary measures are to be taken by the departments in charge against working personnel of state organs who violate these procedures, carry out fraudulent practices for the benefit of their relatives and friends, and resort to deception.

Article 17 Departments, units, and individuals who have made outstanding achievements in carrying out these procedures are to be commended and awarded by people's governments at various levels and birth control departments.

Awards to only-child parents of the floating population are to be given by township (town) people's governments and neighborhood offices located at their registered permanent residences according to relevant regulations.

Article 18 Administrative punishments laid down on these procedures are to be imposed by birth control administrative departments. Litigants who refuse to accept the administrative punishments may apply for administrative reconsideration or take legal proceedings against the departments according to the law.

Penalties and monies confiscated are to be turned over to local finance offices without exception.

Article 19 The Qinghai Provincial Birth Control Commission is to be responsible for explaining the specific issues that emerge in the application of these procedures.

Article 20 These procedures are to be put into effect from the date of issue.

Qinghai Promulgates Transients Birth Control Rules

HK1306134094 Xining QINGHAI RIBAO in Chinese
22 Apr 94 p 2

["Order Number Eight of the Qinghai Provincial People's Government"]

[Text] The "Qinghai Province Management Procedures for Birth Control of Floating Population," have been examined, approved, and adopted by the Seventh Standing Session of the Provincial People's Government, and now are published for implementation.

[Signed] Governor Tian Chengping

[Dated] 26 March 1994

Hong Kong**Jiang Zemin Stresses Patriotism as 'Essential'***HK1406042294 Hong Kong HONGKONG STANDARD in English 14 Jun 94 p 4**[By M.Y. Sung in Beijing]*

[Text] China's President Jiang Zemin has stressed that patriotism is essential for maintaining stability in Hong Kong in the transitional period and has warned that confrontation could cost the territory its future. Mr Jiang met a 20-strong delegation of the Hong Kong Federation of Trade Unions (FTU) in the Great Hall of the People in Beijing yesterday. He told the local unionists that it was now very important for Hong Kong people to unite closely to cope with transitional matters. Mr Jiang stressed that Hong Kong people should love China and avoid confrontational action.

FTU chairman Cheng Yutong said the president urged the unionists to do more work in Hong Kong in uniting those who were willing to be loyal to China.

Mr Jiang was quoted as saying that achieving stability in transition was a big issue. He offered a formula for the British colony with its history of more than a hundred years rule—that it should uphold patriotism toward its original motherland. To love China and Hong Kong were key matters. And it was especially important to love China to affect a smooth transition, he was quoted as saying. It would not be a problem for Hong Kong people to love the territory, Mr Jiang said. But loving China was quite a different matter for many Hong Kong people, for the historical reason that Hong Kong had been separated from China for about 150 years.

The Chinese leader called for an improved understanding of China by Hong Kong people. He said this was a good way to strengthen the ideology of patriotism in the territory. He said more communication between China and Hong Kong would be necessary for this. Uniting Hong Kong people under a banner of patriotism could guarantee stability and a smooth transition, Mr Jiang said.

He told the unionists that the Chinese position on Hong Kong was that the key to the territory's prosperity lay on the mainland. Hong Kong had to co-operate with China, and good coordination between the two systems was vital. He stressed that Hong Kong must not take a confrontational attitude to China or reject China. He told the local delegation that Hong Kong would come to an end without any future if it took the latter attitude. Mr Jiang said the policy of "one country, two systems" and a high degree of autonomy for Hong Kong after it reverted to Chinese control in 1997 should not be doubted. This was the central government's fixed policy on the territory, he said.

Jiang Zemin Receives Trade Union Delegation*OW1306112394 Beijing XINHUA in English 1045 GMT 13 Jun 94*

[Text] Beijing, June 13 (XINHUA)—Chinese President Jiang Zemin met with a delegation from the Hong Kong Federation of Trade Unions headed by its president, Lee Chark Tim here today.

Jiang expressed his hope that the federation would further contribute to the realization of a smooth transition and maintaining stability and prosperity in Hong Kong after 1997, by uniting with a wide range of compatriots there and carrying forward the spirit of loving both the mainland and Hong Kong.

The delegation arrived here on Sunday [12 June] at the invitation of the All-China Federation of Trade Unions.

Wei Jianxing, chairman of the All-China Federation of Trade Unions, and Lu Ping, director of the Hongkong and Macao Affairs Office of the State Council, were among those present at the meeting.

Vice Premier Li Lanqing Meets Businessmen*HK1406042094 Beijing ZHONGGUO XINWEN SHE in Chinese 0854 GMT 13 Jun 94**[By reporter Gan Zhebin (3927 0772 2430)]*

[Text] Beijing, 13 Jun (ZHONGGUO XINWEN SHE)—During a meeting with a delegation from the Hong Kong Chinese Manufacturers' Association in Beijing today, Vice Premier Li Lanqing said that foreign businessmen's investments and cooperation with China's northern and hinterland regions conform with China's strategy of developing the central and western regions, adding that China welcomes their investments and cooperation with the northern and hinterland regions.

Since the introduction of reform and opening up, China has achieved a lot of development in its economy but there are still gaps between regions, Li Lanqing said. Enjoying favorable conditions, coastal areas are leading in economic development whereas the hinterland areas are lagging behind in comparison, he added.

Li Lanqing pointed out: The era is developing, so there is a need to deepen economic cooperation methods and contents. After several years of development, some of the "three-capital enterprises" in the coastal areas should also be upgraded and renewed. Northern and hinterland regions are superior to coastal areas in land, mineral, and labor resources and their transportation and telecommunications facilities are being improved. Therefore, there are great prospects for foreign businessmen to invest in and cooperate with the hinterland regions.

Leung Yam-wing, head of the delegation and chairman of the association, said that this year marks the 60th

founding anniversary of the Hong Kong Chinese Manufacturers' Association. The association will hold celebrations in Hong Kong and Beijing, including a cocktail party in celebration of the establishment of its Beijing office and a "seminar on economic cooperation opportunities between Hong Kong and China's northern regions" to be held jointly with the All-China Federation of Industry and Commerce on 14 June. Li Lanqing congratulated the association on its 60th founding anniversary and wished the seminar all success.

Among those present at the meeting were: Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and chief of the CPC Central Committee's United Front Work Department; Jing Shuping, chairman of the All-China Federation of Industry and Commerce; and Zhu Yucheng, deputy director of the XINHUA NEWS AGENCY Hong Kong Branch.

Qian Qichen Meets Trade Union Delegation

OW1406083794 Beijing XINHUA in English 0757
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with a delegation from the Hong Kong Federation of Trade Unions headed by its President Lee Chark Tim here today.

During the meeting, Qian reiterated China's policy of "one country, two systems", and expressed his hope that the federation would, under the banner of loving both the mainland and Hong Kong, make further contributions to the realization of a smooth transition and maintaining stability and prosperity in Hong Kong after 1997, by uniting with the Hong Kong people from various circles.

Qian also briefed the visitors on the domestic situation, saying that with efforts of over a decade, China has made great achievements in its reforms and opening-up and that the investment environment has also been improved profoundly.

Lu Ping, director of the Hongkong and Macao Affairs Office of the State Council, was among those who were present at the meeting.

The delegation arrived here on Sunday [12 June] at the invitation of the All-China Federation of Trade Unions.

Lu Ping Warns Against 'Confrontation,' 'Antagonism'

HK1406042894 Hong Kong EASTERN EXPRESS in
English 14 Jun 94 p 1

[Text] China's top official on Hong Kong, Lu Ping, yesterday warned that the territory would "perish" unless it played a constructive role in the development of the mainland. The threat was made after a meeting in Beijing with pro-China businessmen and trade unionists.

They questioned the director of the Hong Kong and Macao Affairs Office about China's likely response if Hong Kong fell into "chaos" in the next three years as a result of the political reform proposals of the Governor, Chris Patten. Lu would not comment directly on the issue, but said Hong Kong must play a complementary and co-ordinated role with the mainland. "Hong Kong should not use confrontation or antagonism to repel China," he said. "If that happens then I think Hong Kong will perish. It will have no hope."

Lu said the Communist Party General Secretary, Jiang Zemin, had made the same point when he met the trade unionists earlier in the day. Lu's use of the Chinese character "wang," meaning literally the collapse of a country, was perhaps the strongest wording yet by a Chinese official to threaten Hong Kong.

When he visited the territory last month, Lu said Hong Kong "would be of negative value instead of positive value to China" if pro-democracy forces flourished. He warned then of "chaos and disruption" but stopped short of predicting Hong Kong's collapse.

The chairman of the Hong Kong Federation of Trade Unions, Cheng Yu-tong, raised the Patten proposals privately with Lu after yesterday's meeting. Cheng said Lu's remarks were aimed at preserving the long-term stability of Hong Kong. "I agreed with him that Hong Kong must not have a confrontational role or become some kind of political city," he said. "If all kinds of political forces are allowed to take root it will not be good for the territory."

Lu stressed that in the lead up to the transfer of sovereignty in 1997 work on economic issues needed particular attention. This would ensure that Hong Kong played its role as an economic link to the world for China, which he sees as the territory's main value. "Hong Kong's unique advantage is that it faces the world with China at its back. If Hong Kong wants to make great strides forward, then it should give full play to this advantage and co-ordinate with and complement the mainland economy," he said.

Lu made special comment on the Hong Kong government's attempt to control property prices. "The effects of most of the measures will not be seen until after 1997," he said. The Hong Kong government has promised to build between 45,000 and 60,000 public housing flats in the next six years. Chinese officials fear most will be built after the transfer of sovereignty, placing a financial burden on the post 1997 government. "We need to find ways to control property and land prices to ensure a smooth transition and avoid any big fluctuations after 1997." Lu compared the property market to a patient with a fever. "Bringing down a fever should be done slowly. It would be inappropriate to take laxatives to flush it out."

The trade unionists will hold a detailed meeting with Lu today which is expected to focus on industrial safety at Hong Kong-funded factories on the mainland.

Lu Ping Sees Quick End to Defense Lands Discussions

HK1406042694 Hong Kong SOUTH CHINA MORNING POST in English 14 Jun 94 p 2

[By So Lai-fun]

[Text] Senior Chinese official Lu Ping yesterday said he saw no major obstacle to ending the seven-year Sino-British dispute over the handover of Hong Kong's defence land. Mr Lu, director of the State Council's Hong Kong and Macau Affairs Office, said he hoped the two sides would reach agreement as soon as possible. "I think there is no major obstacle," he said in Beijing before meeting a delegation from the Hong Kong Chinese Manufacturers' Association.

In Hong Kong, leaders of the Joint Liaison Group ended the first day of the 16th round of formal negotiations on defence land after progress was made in last week's informal meetings. British team leader Alan Paul said the informal meetings conducted since last Tuesday were "positive" and had succeeded in narrowing differences. "Both sides are doing their very best to bring these discussions to a successful conclusion as early as possible," he said. His Chinese counterpart, Chen Zuo'er, said the two sides were making progress.

Both refused to give a date for the liaison group's forthcoming plenum, expected to be held by the end of the month. Last month, both [as published] sides failed to strike a long-expected deal on the military land, with China accusing Britain of a lack of co-operation. Mr Chen said Britain had withheld information which China had demanded for seven years. But he did not specify what was wanted. Britain said China had raised "new demands" including a request for a bigger naval basin and the withholding of one of the 25 military sites it had promised to give to the Government for redevelopment.

Lu Ping Views Economy, Relations With Mainland

HK1406050094 Hong Kong TA KUNG PAO in Chinese 14 Jun 94 p 2

["Special dispatch" from Beijing: "Lu Ping Emphasizes Hong Kong's Economic Status and Further Warns Against Becoming a Political City"]

[Text] Beijing, 13 Jun (TA KUNG PAO).—Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office noted that Hong Kong should give full play to its favorable conditions as a city "with the mainland behind and Southeast Asia in front," coordinating and cooperating with the China mainland and each supporting the other. In this way Hong Kong will be able to ensure its prosperity and stability; otherwise, if Hong Kong and the mainland are against each other and confront each other, "then, I think, Hong Kong will be finished and will have no future!" he said.

After saying this he disclosed: "President Jiang Zemin did mention this point when he met with the people from the (Hong Kong) Federation of Trade Unions recently."

Talking about what Hong Kong should do to give full play to its own advantages, Lu Ping told a visiting group from the Chinese Manufacturers' Association of Hong Kong: Now Hong Kong enjoys a very great advantage, that is, the opportunity offered by the development of the cities in mainland China and the reform and opening up of the mainland. Hong Kong's position as a city "with the mainland behind and Southeast Asia in front" is a very big advantage which the three other little dragons of Asia do not possess. In addition, as the China mainland is carrying on the economic opening up and reform, China's economy will be increasingly prosperous. This situation is very favorable to Hong Kong.

He further pointed out: "In my opinion, therefore, Hong Kong should consciously make use of this favorable situation and give full play to this advantage. Only in this way can Hong Kong retain prosperity." For this reason, "Hong Kong should maintain a relationship of mutual support, mutual coordination, and mutual cooperation with the China mainland, rather than a relationship of confrontation, antagonism, and repulsion. If the latter scenario takes place, that is, the relationship between Hong Kong and the China mainland becomes a mutually repulsive and mutually confrontational one then, I think, Hong Kong will be finished and will have no future! President Jiang Zemin did mention this point when he met with the people from the Federation of Trade Unions today. We hope more Hong Kong people will be aware of this."

He added that China hopes Hong Kong will be able to keep its "economic superiority" and give full play to its economic role. He said he does not want to see Hong Kong become a "political city." The so-called "political city," he said, means a Hong Kong being used to exert political influence on the mainland. He reiterated that he did not mean that Hong Kong people should be indifferent to politics but that Hong Kong should first of all give full play to its economic superiority.

He warned that "Hong Kong will have no future if it is turned into a political city and is used to exert political influence on the mainland." He stressed that Hong Kong and the China mainland "should maintain a relationship of cooperation and mutual support." "Only in this way will Hong Kong be able to give full play to its role and be assured of prosperity and stability."

Commenting on the relationship between Hong Kong and Shanghai in the 21st century regarding economic development, Lu Ping said: The two cities will play their own roles and each will make different contributions but they can complement and support each other. Therefore, it will not be a case of Shanghai replacing Hong Kong. He expressed his hope that Hong Kong compatriots would realize that the state is now practicing a very, very special policy toward Hong Kong, therefore Hong Kong

people should give play to their role and make greater contributions in this respect.

He added that Hong Kong's future role does not lie in its limited financial contributions to the state but in its status as a window and bridge linking the country with the outside world.

Lu Ping Comments on Economic Cooperation

HK1406043094 Hong Kong TA KUNG PAO in Chinese
14 Jun 94 p 2

["Special dispatch" by staff reporter Ming Chi-liu (2494 0796 3177): "Lu Ping Talks About Hong Kong Flat Prices, Other Economic Affairs When Meeting With Hong Kong Manufacturers' Delegation"]

[Text] Beijing, 13 Jun (TA KUNG PAO)—Today, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, met with the visiting delegation of the Hong Kong Chinese Manufacturers' Association at the Hong Kong and Macao Center of Beijing. He said at the meeting that there are only three years plus 17 days before the transfer of government in 1997, but a good deal of things needed to be done to ensure a smooth transition. In particular, many issues in the field of economic affairs should be considered and solved as soon as possible. For example, the issue of property prices, the coordination of capital construction between Hong Kong and the mainland, the operational costs and charges of the container terminal, and the shipping arrangements between Hong Kong and the mainland.

Lu Ping said: Now, there are only three years plus 17 days before the transfer of government in Hong Kong. "When meeting the delegation of the Hong Kong Federation of Trade Unions, our President Jiang said that time flies like an arrow, and the sun and the moon move back and forth like a shuttle. Three years will pass very quickly, but we are now still facing a great deal of preparatory work. Such preparatory work only serves the purpose of guaranteeing Hong Kong's smooth transition to the period beyond 1997. We hope to achieve this purpose in the political, economic, and social aspects."

When talking about the issue of flat prices in Hong Kong and the Hong Kong Government's recent measures, Lu Ping said: "We should have foresight when approaching this issue, and should not only look at current prices. Because the measures set forth by the British Hong Kong authorities will become effective before 1997, we hope that after 1997, a smooth transition will be effected for both flat prices and land prices, and no major fluctuations will arise." He added that in order to ensure a smooth transition, the relevant issues must be submitted to the Sino-British Land Committee and other channels for mutual consultation, because these issues are all related to how Hong Kong will be able to maintain prosperity after 1997. He said: The soaring flat prices have made ordinary people unable to buy flats, and this is indeed a big problem which must be solved. At the same time, the high flat prices will also raise the costs of

production and thus weaken the competitive power of Hong Kong products. In addition, this may force some overseas transnational groups to give up plans for setting up Asian or Far East headquarters in Hong Kong, or force some of them to move their regional headquarters out of Hong Kong to other countries or regions. This will certainly affect Hong Kong's status as an international economic, trade, and financial center.

Therefore, he stressed, the issue of high property prices must be resolved as soon as possible. The Chinese side has also long expressed its opinion. It is hoped that the British Hong Kong authorities will squarely face this problem, and will adopt some measures that are really effective. On the other hand, however, this issue must be handled prudently. "Like a person who has a high fever, the body temperature cannot be lowered drastically, but should be cooled down gradually." The real estate industry is the pillar of the Hong Kong economy. If drastic ups and downs arise, the overall economy in Hong Kong will certainly be affected.

As for the issue of coordinating the large-scale capital construction projects between Hong Kong and the nearby mainland areas, Lu Ping said that this will not only affect Hong Kong, but will also affect the development of the mainland cities. For example, the plans for the construction of railways, highways, and shipping terminals on the two sides must be properly coordinated. It is impossible that each goes its own way. Otherwise, what should be done in the future if the projects launched separately on the two sides do not dovetail or become incompatible? Lu Ping cited an example and said: At present, China is building the Beijing-Jiulong (Kowloon) Railway. After the railway line stretches to Shenzhen, where should it be extended into Hong Kong, how should the railways built on both sides be linked up? In addition, there is a shortage of storage facilities along the railway line on the Hong Kong side; after the new railway is opened to traffic in the future, how will the Hong Kong side handle the suddenly increasing freight as well as passengers? The settlement of all such issues requires coordination between the two sides.

With regard to the construction of the new container terminals, Lu Ping said that Hong Kong actually needs to build new container terminals, but attention should also be paid to the competition from the new container terminals in Shanghai, Shenzhen, and Shekou. In particular, operation costs and charges of the Hong Kong container terminals are rather high now, and this may weaken their competitiveness. Therefore, Lu Ping said, if the construction and operation costs of Container Terminal Number Nine are not properly brought under control, the new terminal will not have competitive power if it is built.

As for the shipping arrangements between Hong Kong and the mainland, Lu Ping said that it is necessary to consider as soon as possible the issue of whether ships registered in Hong Kong will be treated as "foreign ships" or "domestic ships" when entering mainland

harbors after 1997, and how the Chinese ships will be treated when entering the harbor of Hong Kong, because this is an issue that both sides will be facing as of 1 July 1997.

Political Affairs Group Discusses Work Report

OW1206130294 Beijing XINHUA Domestic Service in Chinese 1156 GMT 11 Jun 94

[Text] The eighth meeting of the special political affairs group of the Preliminary Work Committee for the Preparatory Committee of the Hong Kong Special Administrative Region was held in Beijing on 10 and 11 June. Participants in the meeting discussed the group's work report and the group's work plan for the next half year which are to be presented to the third plenary meeting of the Preparatory Committee.

The special political affairs group's work report will touch on the following issues: the organization of the first legislative council, the formation of the first regional organizations, the formation of the first-term government, the relationship between administrative and legislative organs, the problems of stabilizing the ranks of public servants and the issue relating to the convergence of relevant systems; central government departments' and localities' setting up organs in the Hong Kong Special Administrative Region and the Hong Kong Special Administrative Region's setting up offices in Beijing; and the issue of the political situation in Hong Kong. The work report of the special political affairs group has incorporated the initial views and suggestions of the committee members.

Participants in the meeting also decided on the problems that will be taken up for discussion in the next half year by the special political affairs group. They decided to further continue with the consultation work and to extensively solicit opinions from various circles in Hong Kong.

Lu Ping, Zhou Nan, and Jiang Enzhu, vice chairmen of the Preparatory Committee, attended the meeting.

PWC Co-Convener Dubs Attempts To Amend Reforms Pointless

HK1106073194 Hong Kong SOUTH CHINA MORNING POST in English 11 Jun 94 p 2

[Report by Linda Choy in Beijing]

[Text] The Liberal Party was told its attempt to bring the electoral bill closer to the Basic Law would not prevent China disbanding the three tiers of government in 1997. The message was delivered by Hong Kong co-convener of the Preliminary Working Committee (PWC) political subgroup, Leung Chun-ying, who is in Beijing to discuss an initial report on the formation of the first post-1997 legislature and district organisations. Political parties'

attempts to amend Governor Chris Patten's reform proposals had nothing to do with the PWC's work, Mr Leung said.

The Liberal Party's proposal, to be discussed by the Legislative Council on June 29, would retain the original system of functional constituencies under which votes are cast by corporate members of business organisations. The party also seeks to bring the four-sector composition of the election committee in line with the Basic Law requirements.

The PWC would come up with a proposal which followed the Basic Law.

In its report, the subgroup will list possible solutions and recommendations for the formation of the first legislature and district organisations. One of the key features is related to the voting method, including the multi-seat single-vote system that has been voted down by Legco. Another proposal is for proportional representation, which most subgroup members preferred.

The report will also touch on the smooth transition of the civil service, the formation of the first Special Administrative Region government, the relationship between the executive and legislature, and the setting up of offices in the SAR by different levels of the Chinese Government.

PWC Studies Proportional Representation

HK1206063294 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 12 Jun 94 p 2

[By Linda Choy in Beijing and Queenie Wang in Hong Kong]

[Text] China's Hong Kong-based advisory body, the Preliminary Working Committee (PWC), will consider calls to change the territory's electoral system from a single-seat, single-vote model to proportional representation during its plenary session next month.

The proposal was put forward by PWC political subgroup members at a two-day meeting which ended in Beijing yesterday. One delegate, Professor Lau Siu-kai, said members felt proportional representation was more appropriate for the territory. He said it would preserve the nature of the legislature as a watchdog to the Government, with reasonable representation from various political groups. Professor Lau said the group would discuss various models later in the year.

Adoption of a proportional representation system would mean voters choosing between political parties rather than individual candidates when casting their vote. Seats obtained by each party would be in proportion to the percentage of votes they had won.

The news came as legislators and academics expressed fears the Government's voter registration drive was heading for disaster. With less than three weeks before the campaign's July 1 deadline, 1.66 million eligible voters have yet to enroll. The situation is even worse

among people aged 18 to 21 who will be able to vote for the first time in September's district board elections following the recent lowering of the voting age. Only 28 percent, or 56,000, of the 200,000 potential electors have enrolled, according to figures released by the Registration and Election Office. The two-month campaign has reaped just 340,000 new voters, marginally increasing the proportion of Hong Kong's potential 3.9 million electorate who are registered to 57 percent, or 2.24 million.

The apathy was evident yesterday at a registration drive in Kwun Tong. One potential voter said: "I'm not interested in politics and I don't believe any of the politicians could genuinely represent my interests." A queue of potential electors lined up in front of the Telford Gardens registration counter in Kowloon Bay yesterday, proved on closer inspection to be collecting free balloons given away as part of the drive.

The registration campaign has cost \$6.6 million. But legislator and Association for Democracy and People's Livelihood chairman Frederick Fung Kin-kee was shocked by the response. "I would have expected at least half of eligible voters between 18 and 21 to have registered," he said.

Government Issues External Trade Statistics

OW1106054694 Beijing XINHUA in English 0425
GMT 11 Jun 94

[Text] Hong Kong, June 11 (XINHUA)—Latest statistics from the local government showed that the external trade of the territory in the first four months of 1994 had continued booming with imports exceeding exports by a margin of 24.3 billion HK dollars (roughly three billion U.S. dollars).

During the first four months of 1994, the territory had exported a total of 333.5 billion HK dollars (approximately 43 billion U.S. dollars) worth of goods while its total imports were valued at 357.8 billion HK dollars (about 46 billion U.S. dollars).

Comparing with the same period of 1993, the value of the territory's imports in the first four months of 1994 had increased by 9.5 percent while the value of its re-exports had recorded a 13 percent rise to 272.1 billion HK dollars (35 billion U.S. dollars).

However, the value of domestic exports in the first four months of this year had witnessed a 7.8 percent drop to 61.4 billion HK dollars (8 billion U.S. dollars) as compared with the corresponding period last year.

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